

The background of the slide is a light blue color with a pattern of 3D-rendered numbers in various sizes and orientations. The numbers are white with a slight shadow, giving them a three-dimensional appearance. The numbers are scattered across the entire page, creating a textured, data-oriented background.

The Flagstaff Real Estate Market :

BY THE NUMBERS . . .

Gary Nelson

- Delegated Broker –
 - Realty Executives of Flagstaff
- President, Arizona Realtors – 2022
- National Association of Realtors, Board
- Arizona Association of Realtors, Board
- Lifelong Flagstaff Resident



Housing Statistics:

- National
- Arizona
- Local

Elliot Eisenberg, Economist:

“While existing home sales are very weak, home prices keep rising. The Case-Shiller National Index was up 5.1% Y-o-Y in November, up from 4.7% Y-o-Y in October. Similarly, the FHFA Index saw home prices rise 6.6% Y-o-Y in November, up from 6.3% in October.

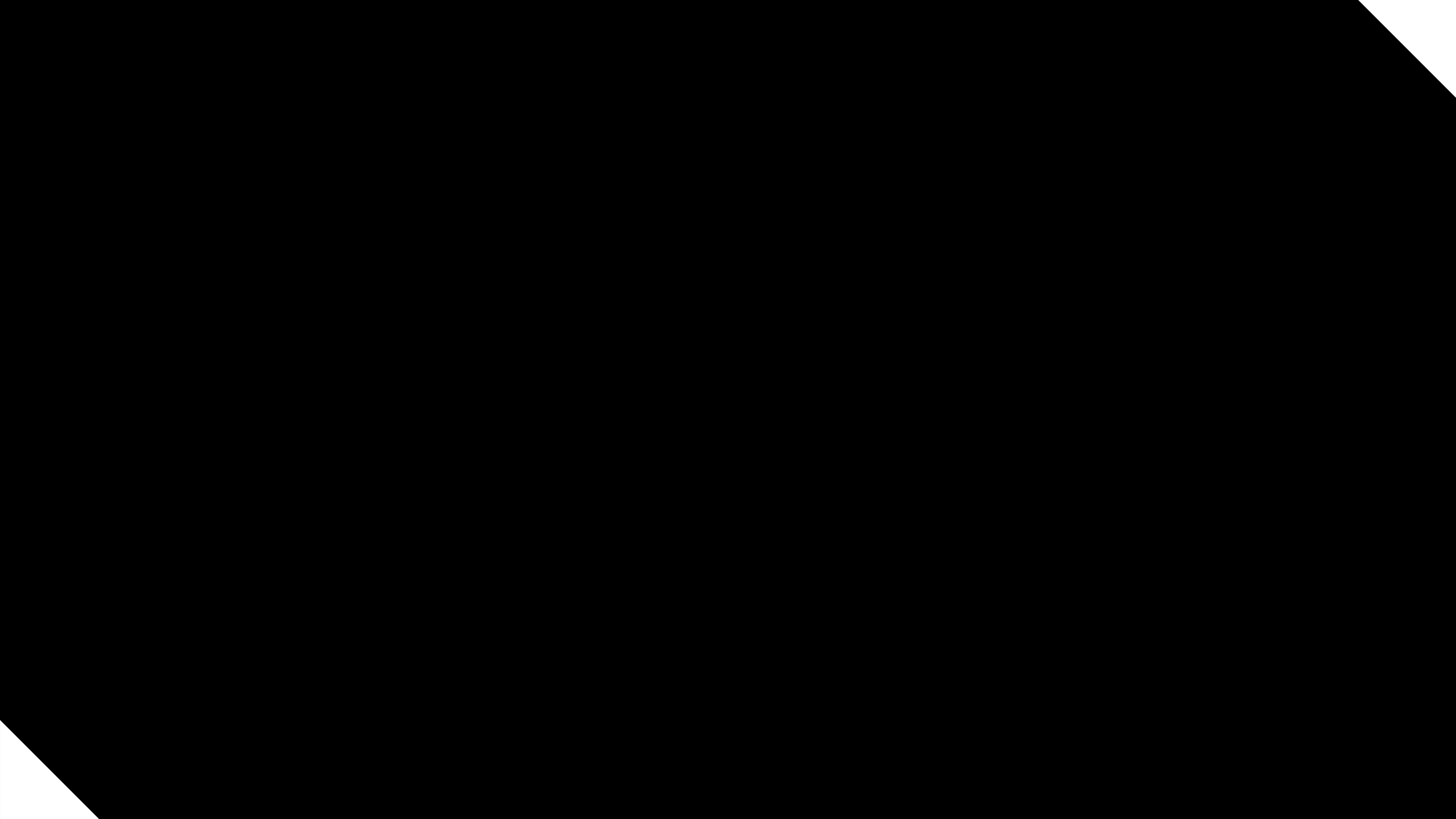
“Moreover, the single-family mortgage seriously delinquent rate was just 0.55% in November, well below pre-pandemic lows and at rates last seen late in the Housing Boom.”

Elliot Eisenberg, Economist:

“While the Fed didn’t lower interest rates after today’s meeting, it suggested that cuts are on the way.

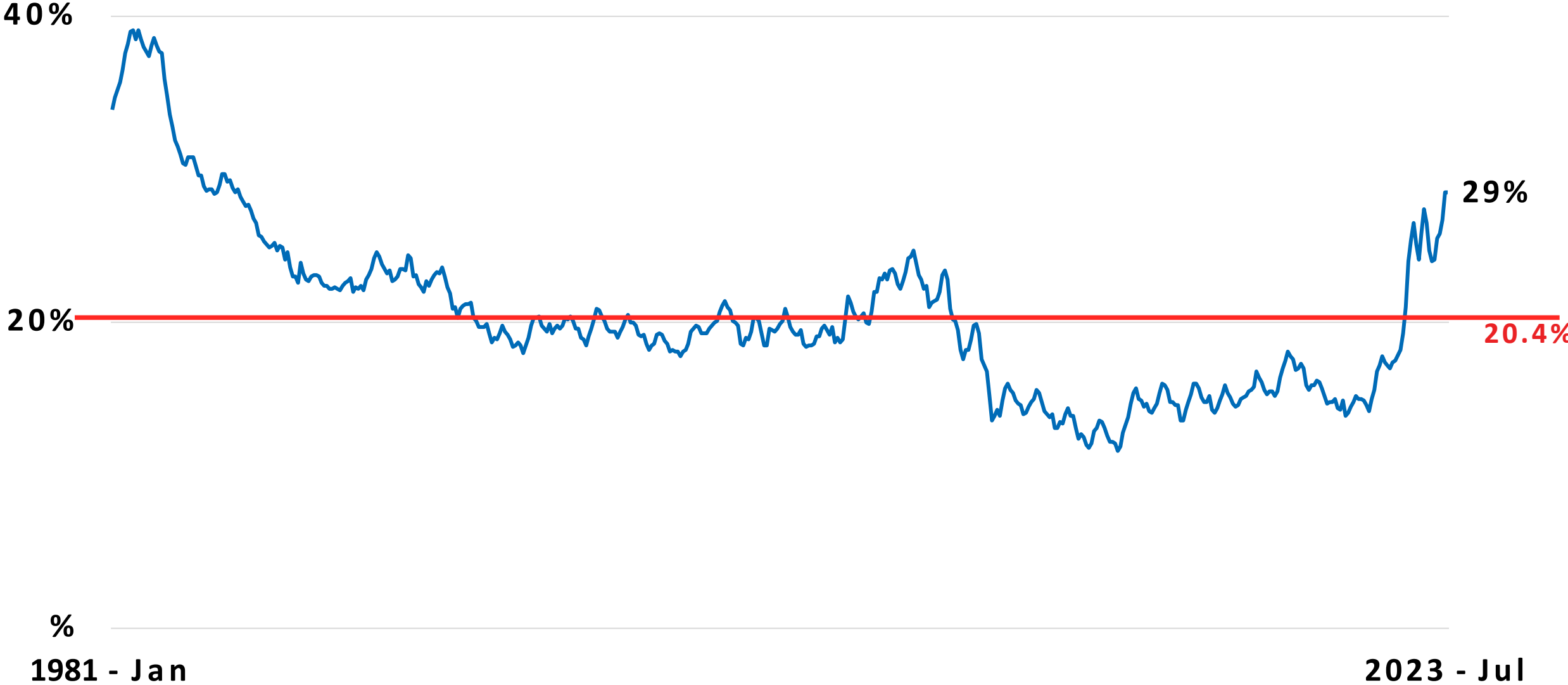
“However, by reiterating that he wants to see continued declines in inflationary pressures before the Fed cuts rates, Powell gave markets no indication that cuts were imminent and simultaneously has provided the Fed with strategic ambiguity as to when it will start cutting rates.

“A June cut remains my base case.”



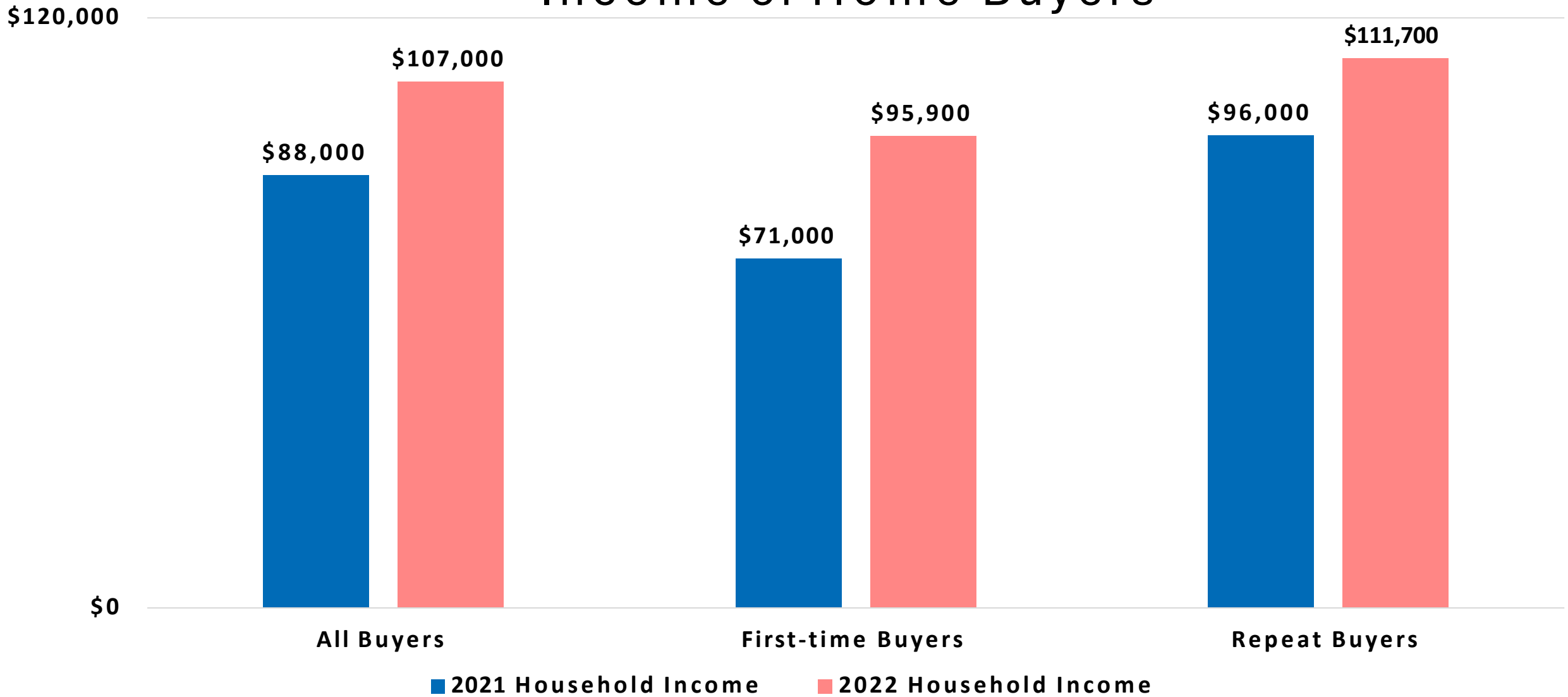
The Housing Market

NAR Housing Affordability: Payment as Percent of Income



Source: Housing Affordability Index
<https://www.nar.realtor/research-and-statistics/housing-statistics/housing-affordability-index>

Income of Home Buyers



Source: Profile of Home Buyers and Sellers

www.nar.realtor/research-and-statistics/research-reports/highlights-from-the-profile-of-home-buyers-and-sellers

Inventory of Existing Homes

5,000,000

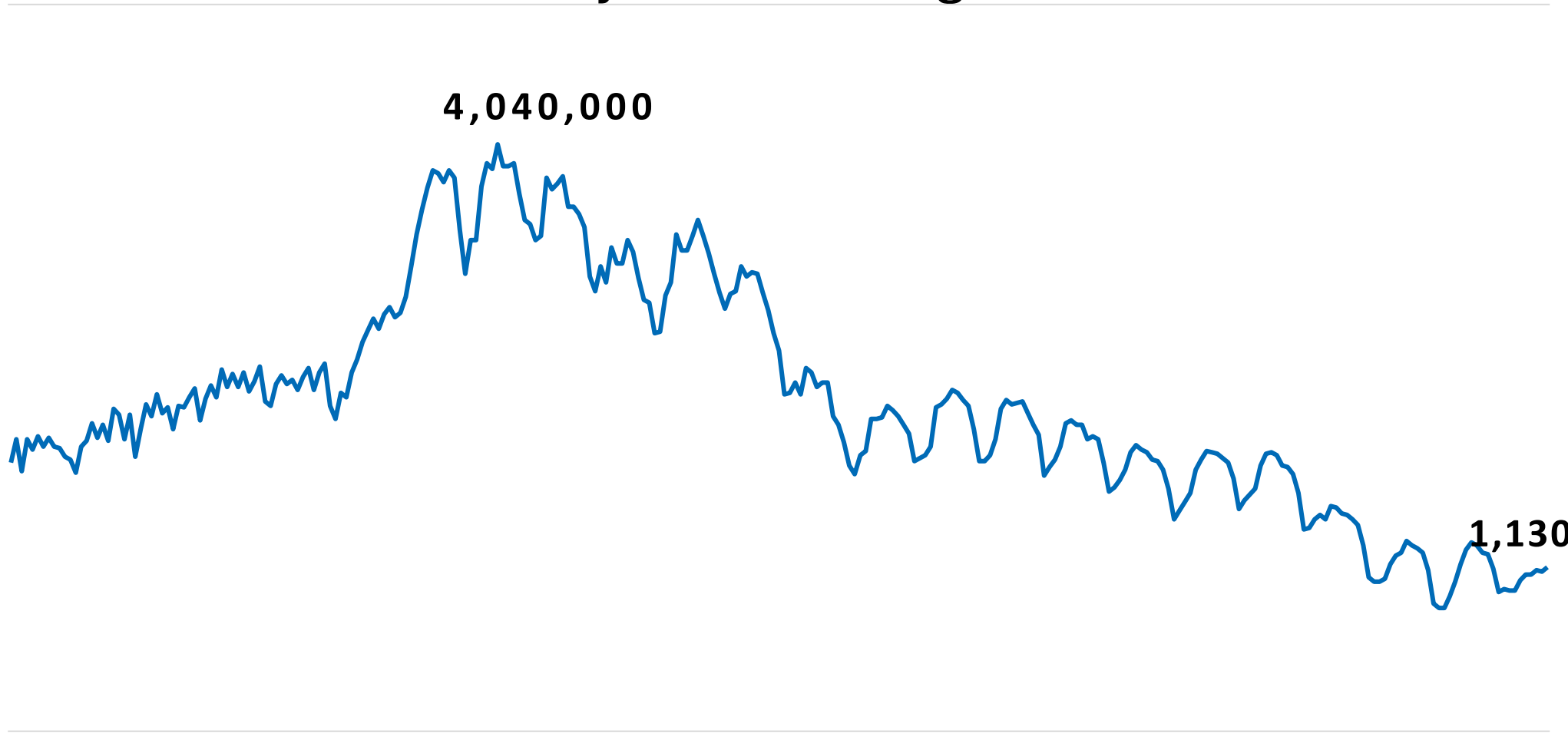
4,040,000

1,130,000

0

2000 - Jan

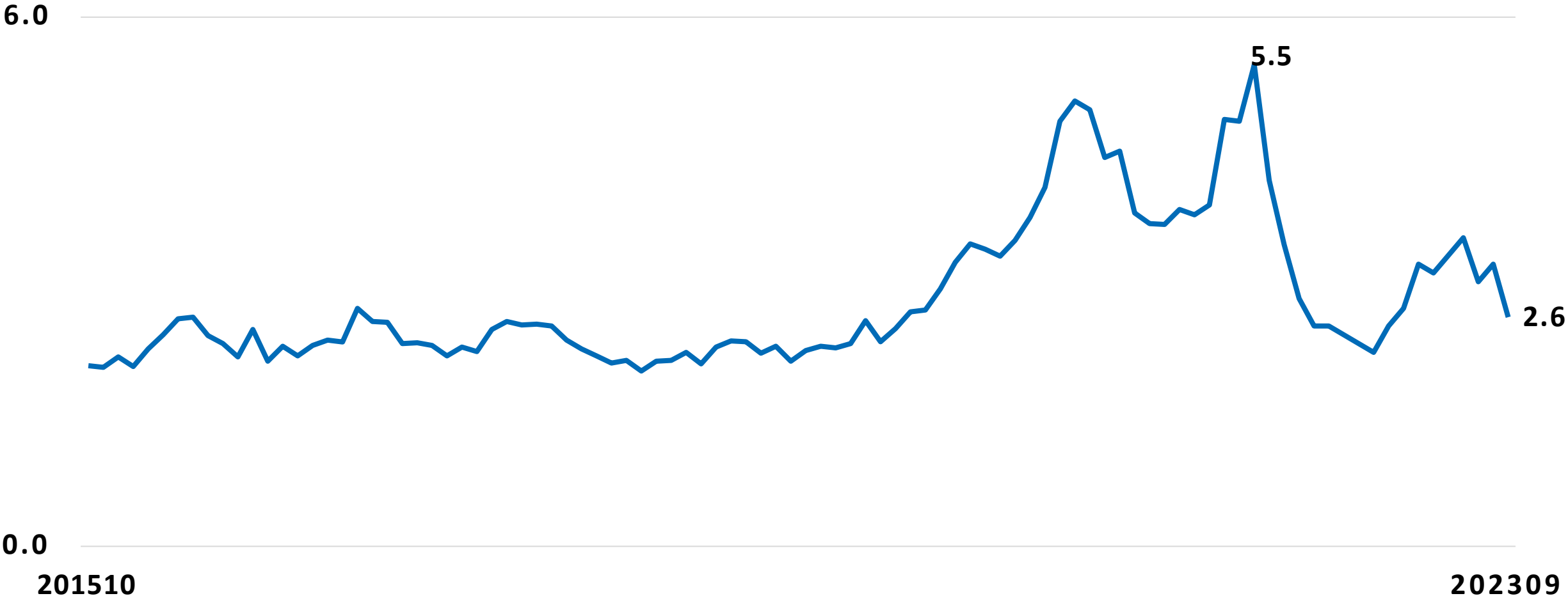
2023 Sept



Source: NAR Existing-Home Sales

www.nar.realtor/research-and-statistics/housing-statistics/existing-home-sales

Average Number of Offers Received on Most Recent Sale



Source: REALTORS® Confidence Index: www.nar.realtor/research-and-statistics/research-reports/realtors-confidence-index

Median Downpayment Among Buyers

30%

%

1989 1991 1993 1995 1997 1999 2001 2003 2004 2005 2006 2007 2008 2009 2010 2011 2012 2013 2014 2015 2016 2017 2018 2019 2020 2021 2022 2023

— First-time Buyers — Repeat Buyers

21%

9%

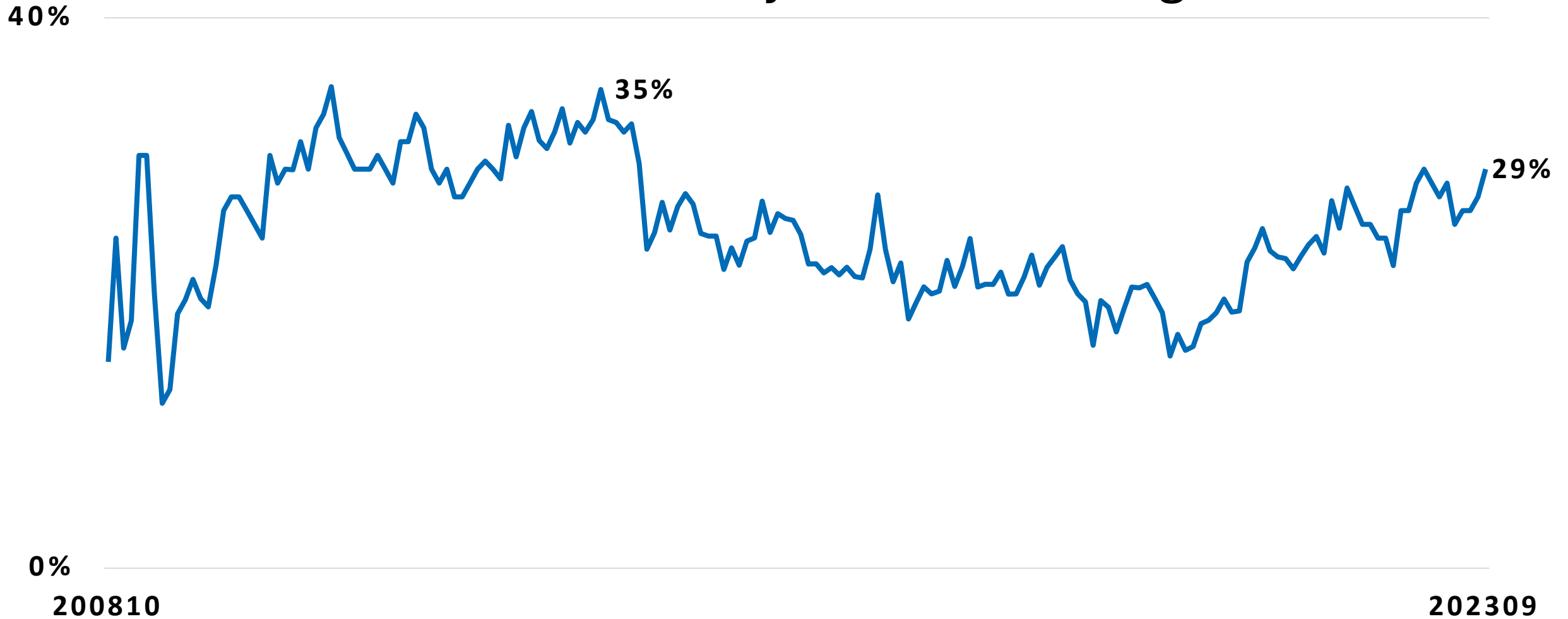
19%

8%

Source: Profile of Home Buyers and Sellers

www.nar.realtor/research-and-statistics/research-reports/highlights-from-the-profile-of-home-buyers-and-sellers

All Cash Buyers Trend Higher



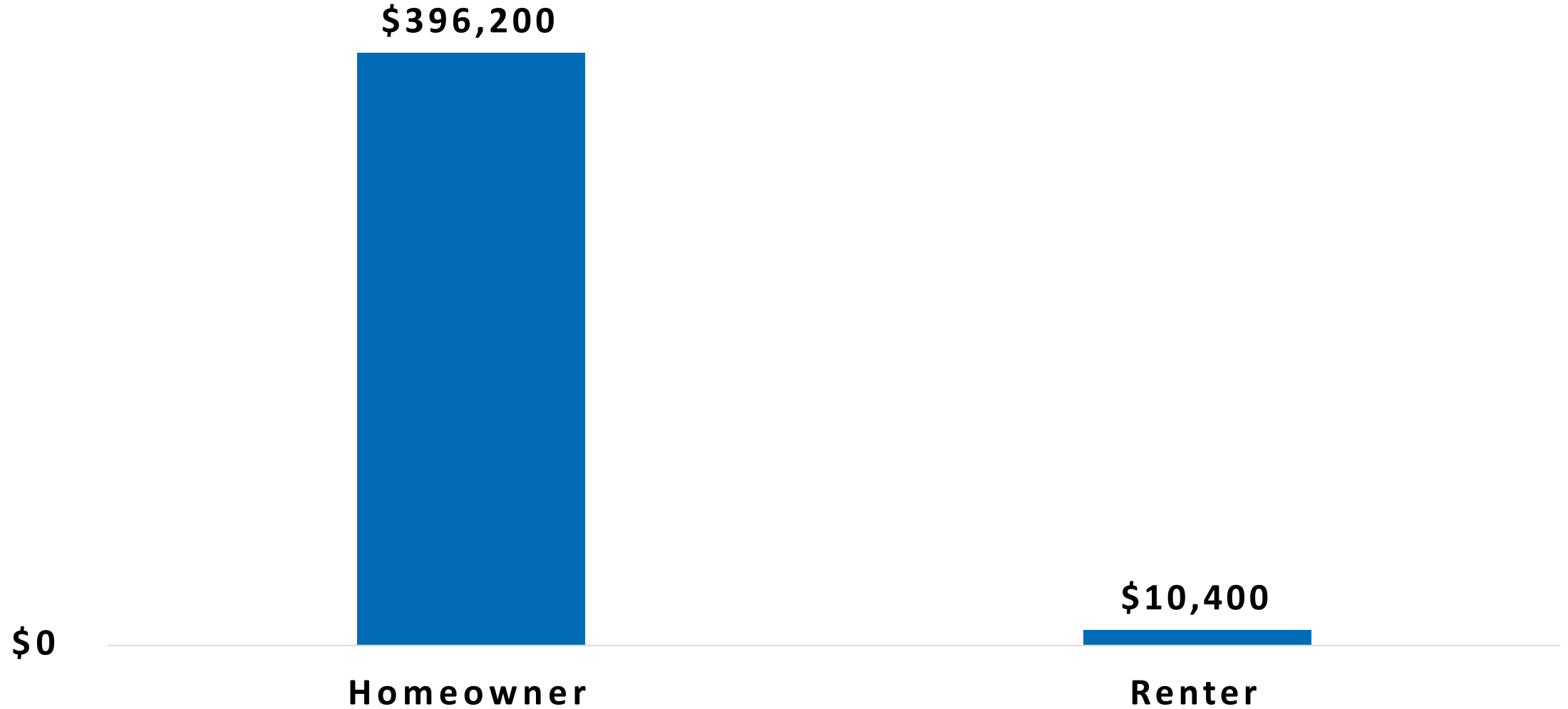
Share Distressed Sales (Foreclosures/Short Sales)



Why Real Estate Matters

Median Net Worth

\$450,000



Source: Board of Governors of the Federal Reserve System, The 2022 Survey of Consumer Finances <https://www.federalreserve.gov/econres/scfindex.htm>

THE ECONOMIC IMPACT OF A TYPICAL HOME SALE

in the United States

The real estate industry accounted for **\$4.1** trillion or **16.3%** of the gross state product in 2022.

TOTAL ECONOMIC IMPACT

\$120,500

Income generated from
real estate industries



+

Expenditures related
to home purchase



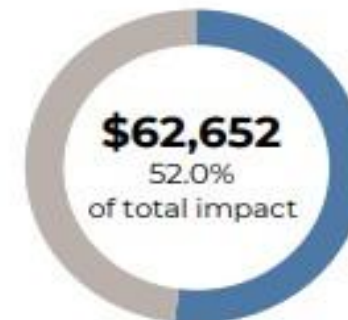
+

Multiplier of housing
related expenditures



+

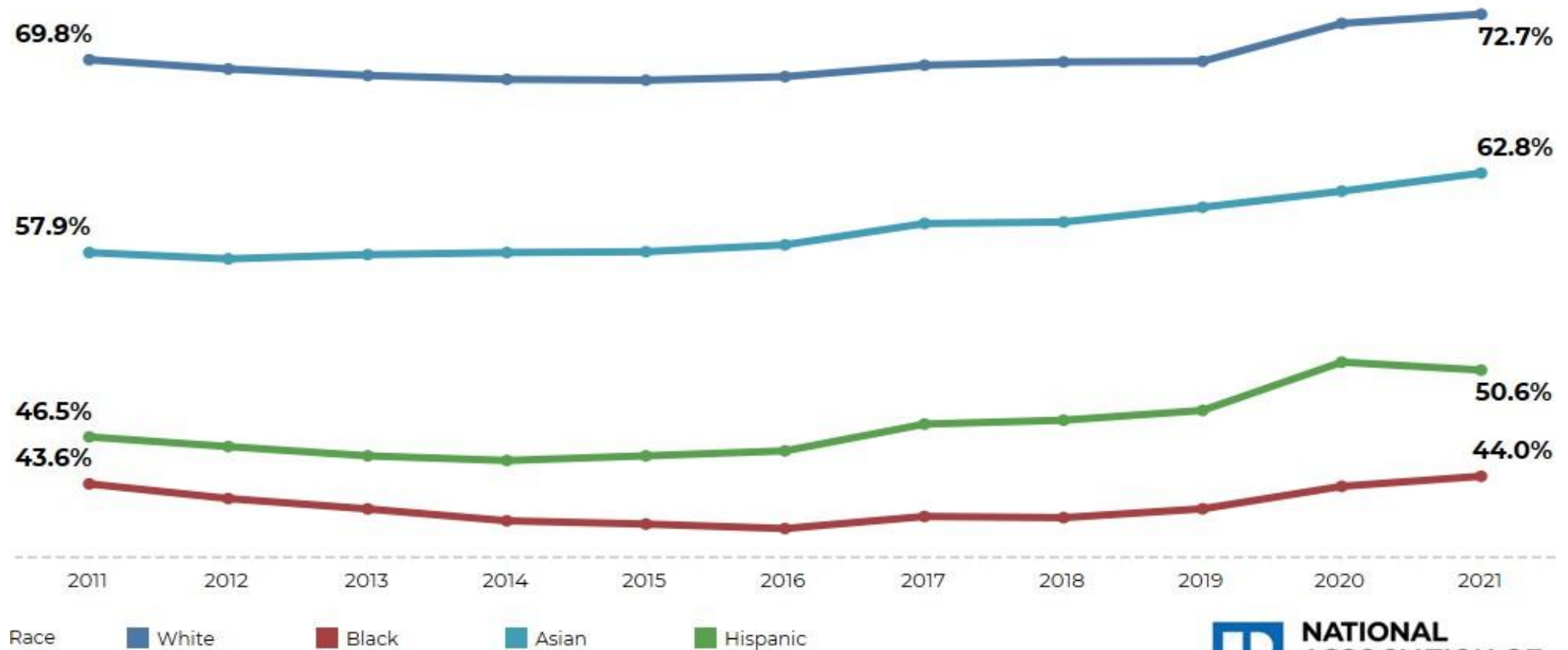
New home
construction



But we've left folks behind...

Homeownership Rates by Race

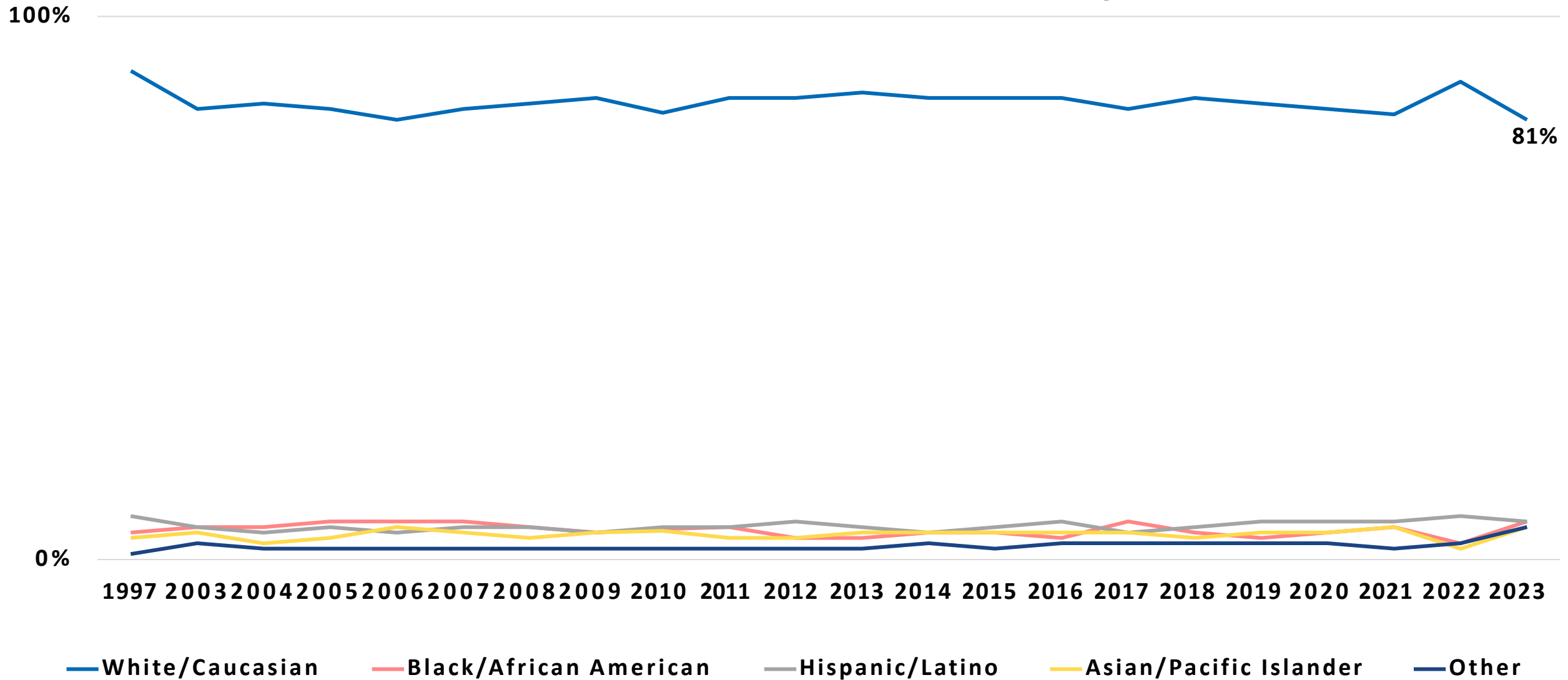
Homeownership rates by race (2011-2021)



Source: NAR calculations of ACS PUMS data



Race of Recent Home Buyers

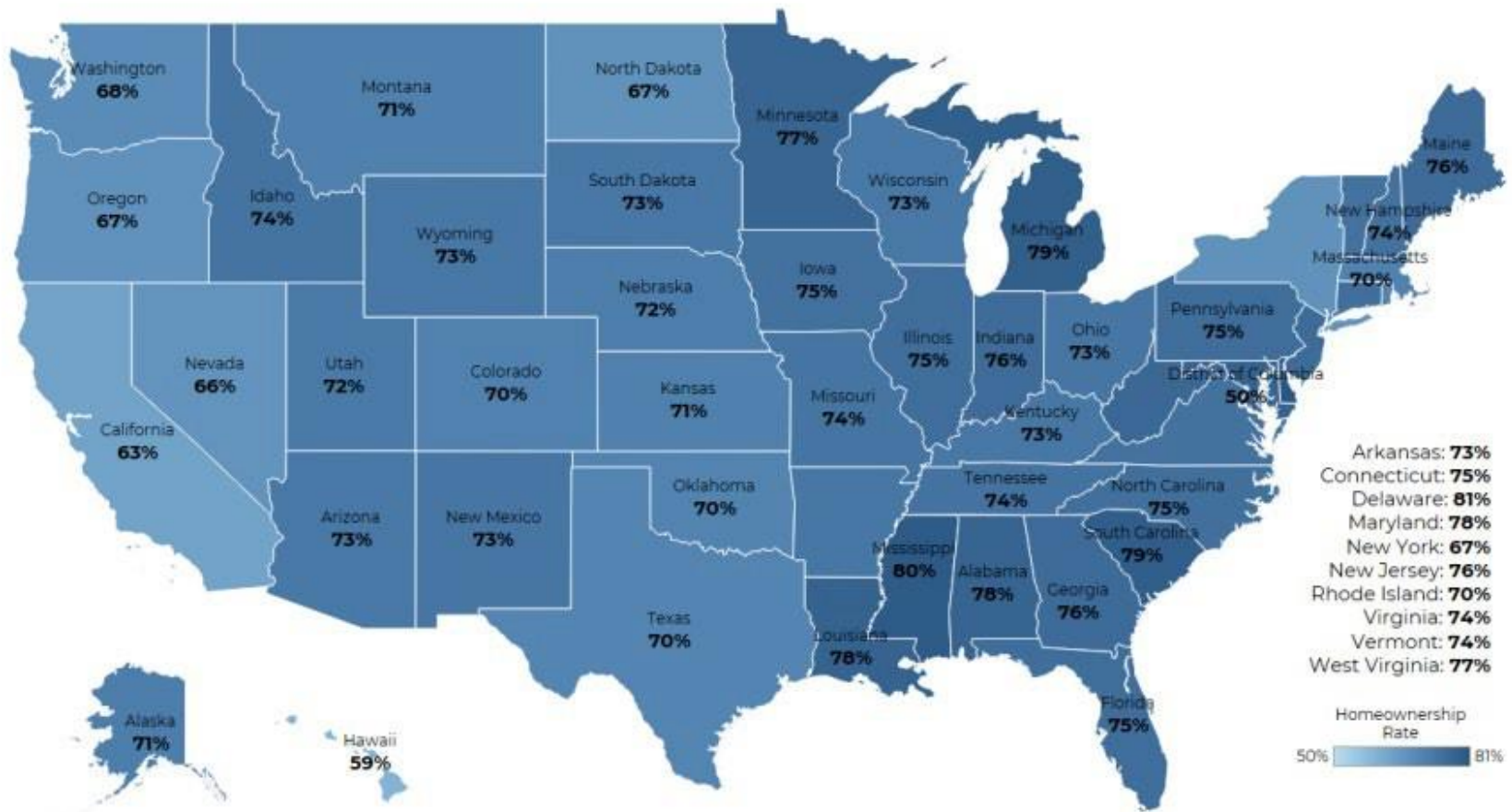


Source: Profile of Home Buyers and Sellers

www.nar.realtor/research-and-statistics/research-reports/highlights-from-the-profile-of-home-buyers-and-sellers

Homeownership Rate for White Americans

by state

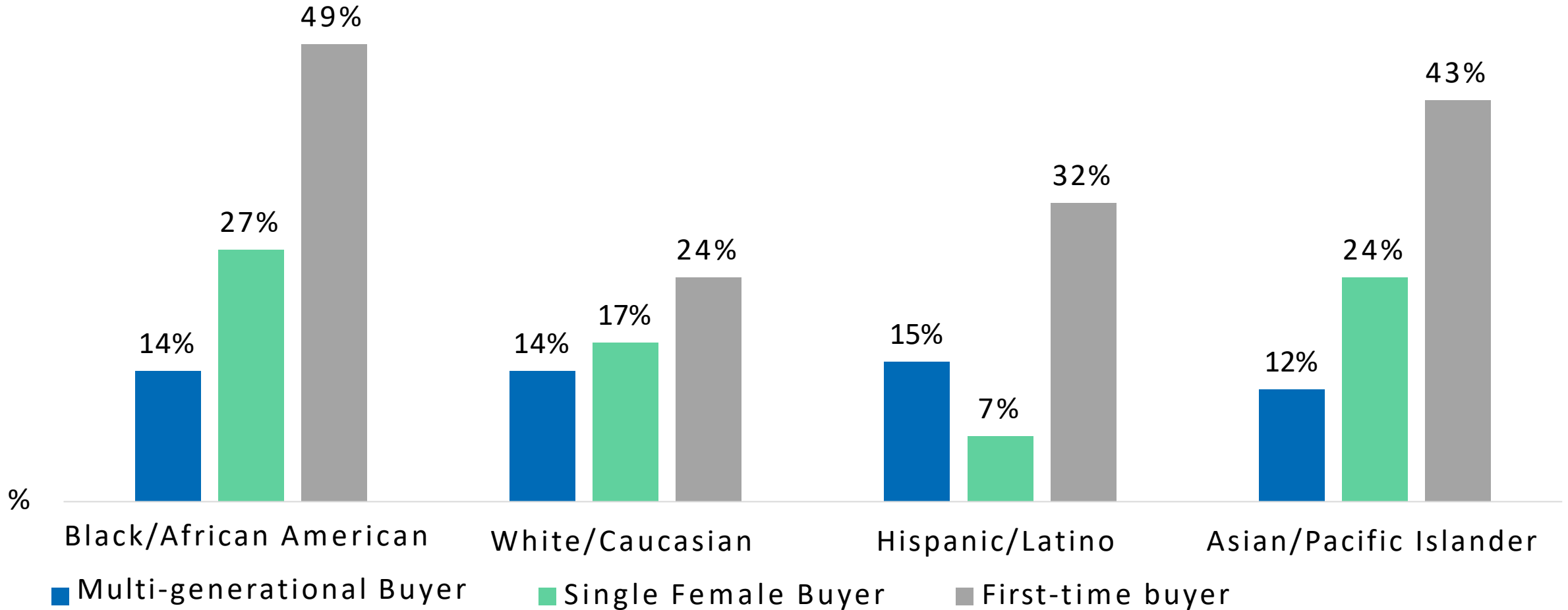


Source: NAR calculations of ACS PUMS data



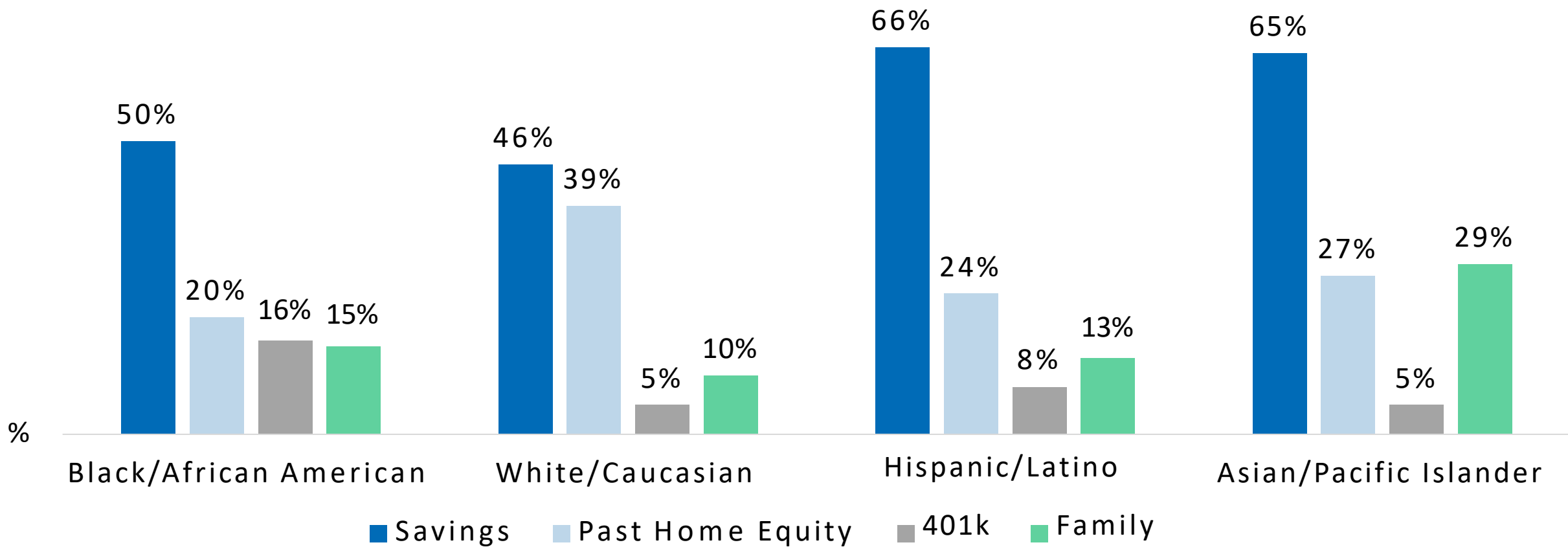
60%

Home Buyer Demographics By Race



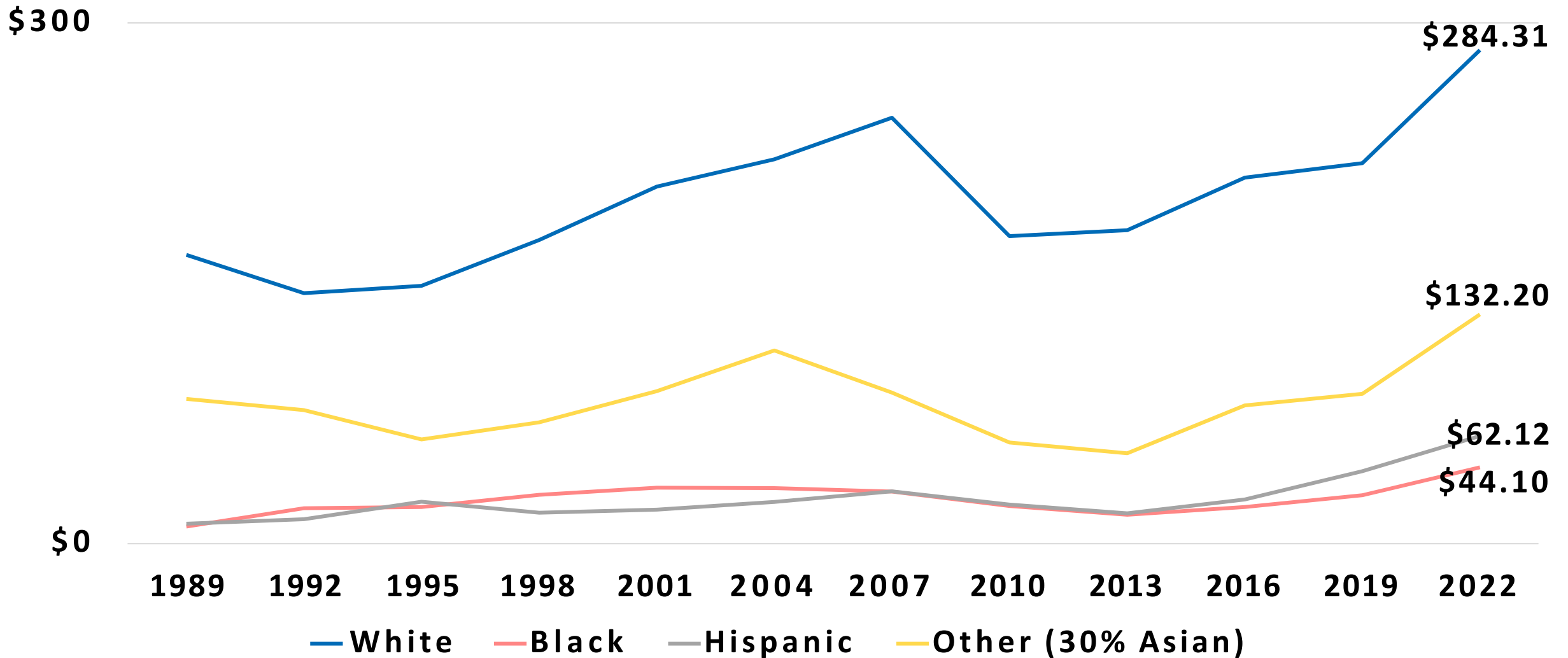
100%

Downpayment Source By Race



Median Net Worth by Race 1989-2022

(2022 \$ in Thousands)



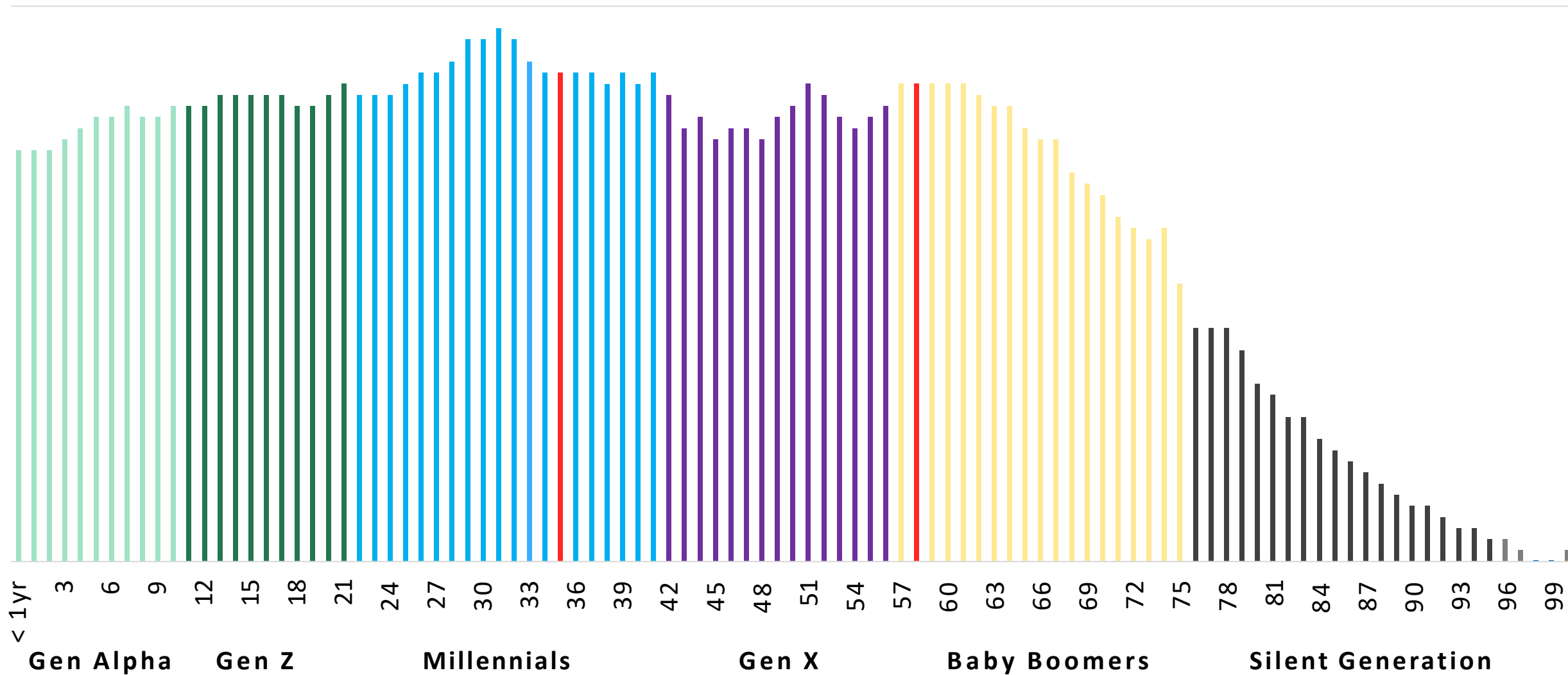
Source: Board of Governors of the Federal Reserve System, The 2022 Survey of Consumer Finances <https://www.federalreserve.gov/econres/scfindex.htm>

Generational Warfare

U.S. Population by Age (in millions)

5

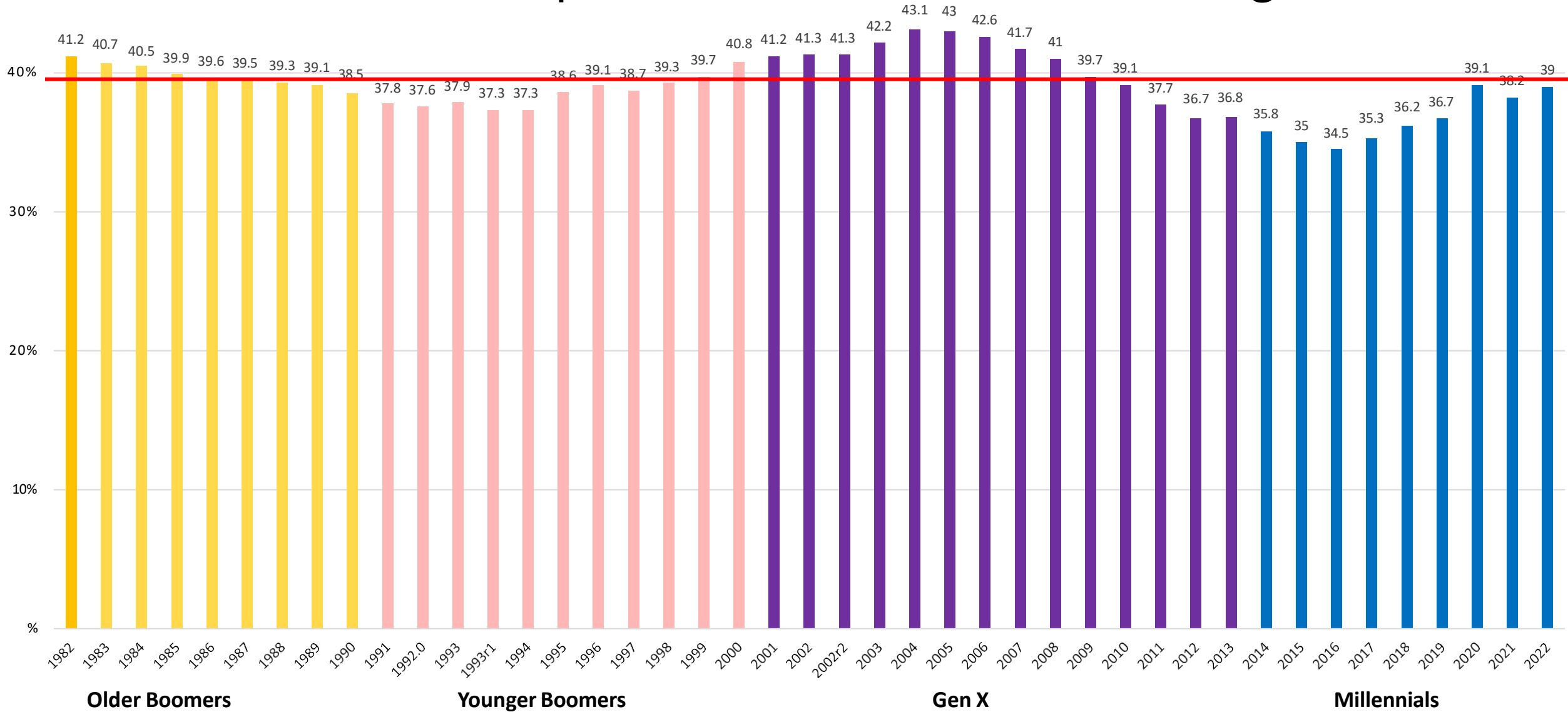
0



Source: Millennials Still Underperforming Amid Gains in Homeownership Rate

www.nar.realtor/blogs/economists-outlook/millennials-still-underperforming-amid-gains-in-homeownership-rate

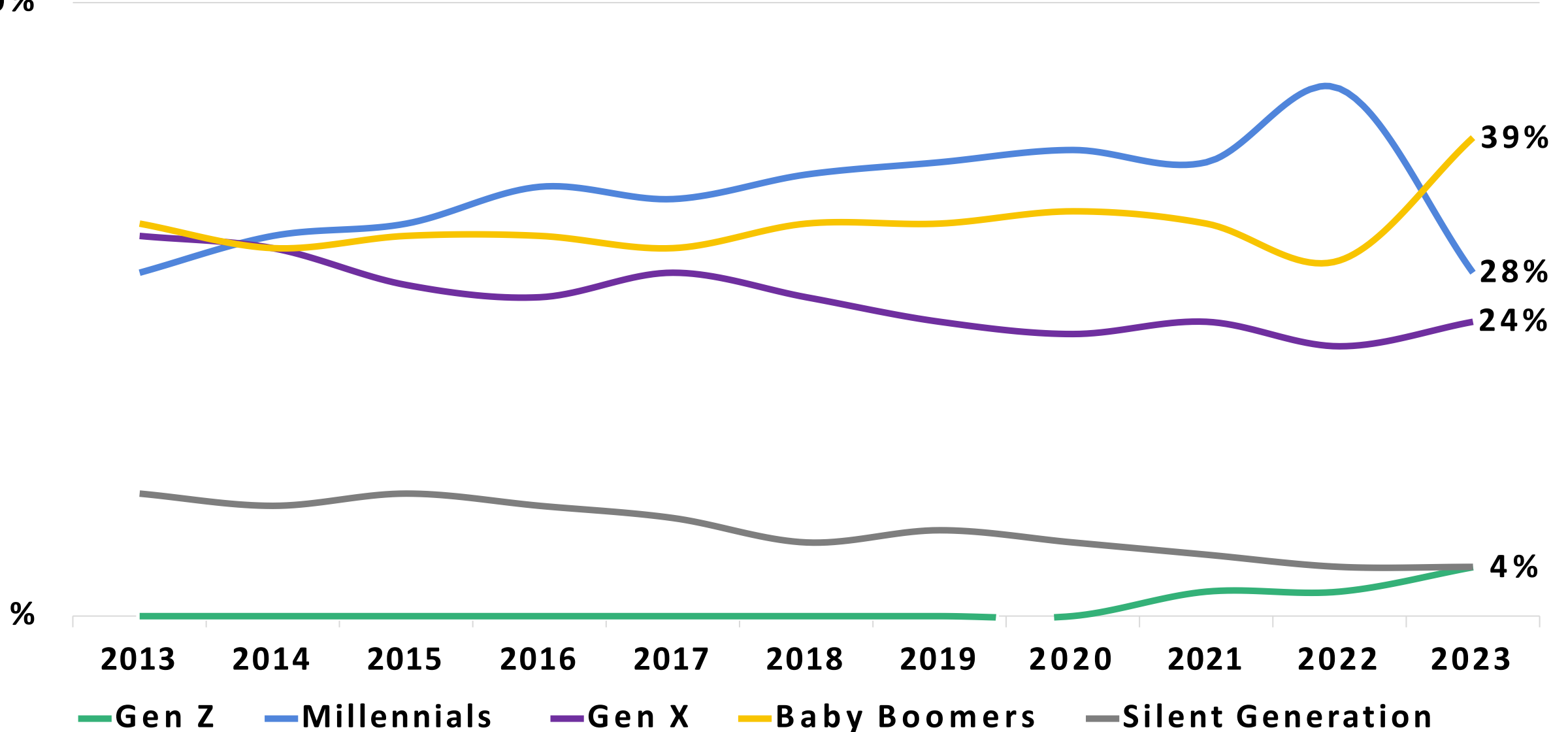
Homeownership rate for those under the age of 35



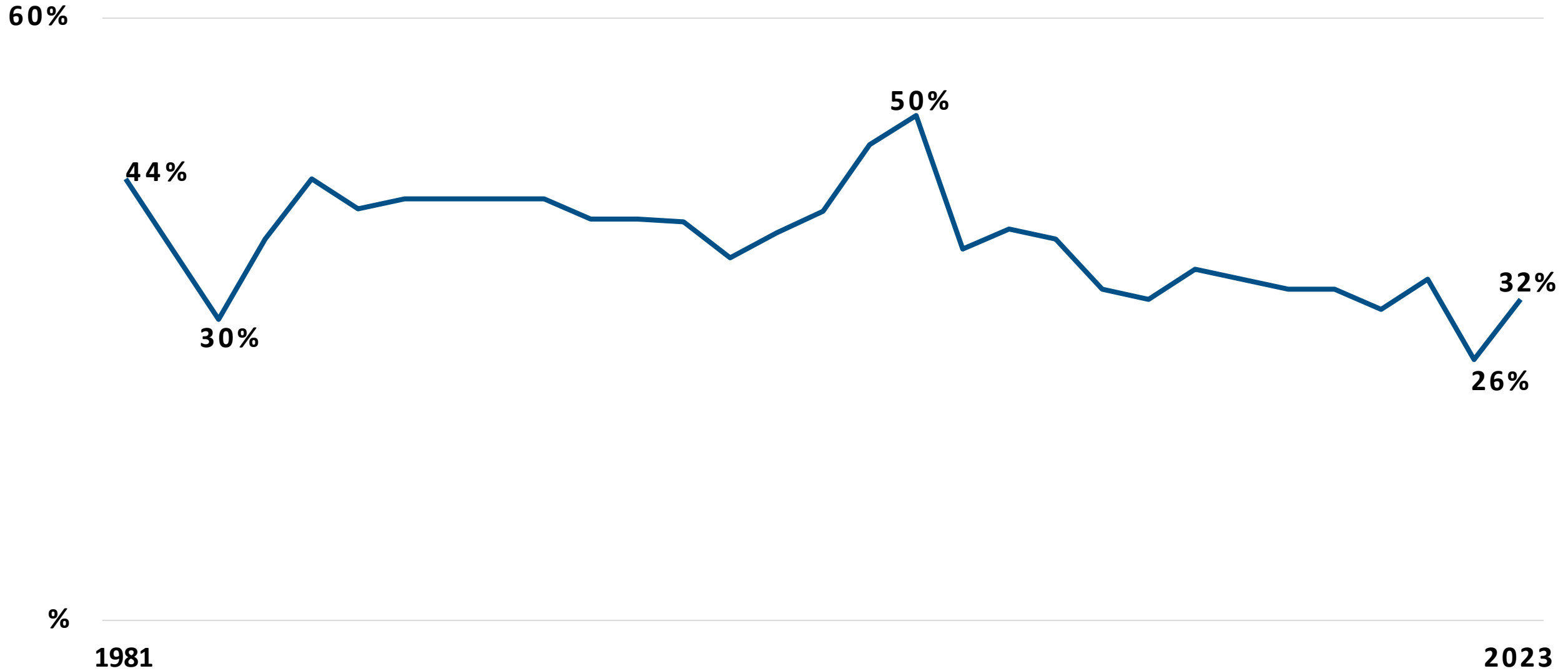
U.S. Census Data, NAR Calculations

Share of Home Buyers in Each Generation 2013-2023

50%



First-time Buyers



Source: Profile of Home Buyers and Sellers

www.nar.realtor/research-and-statistics/research-reports/highlights-from-the-profile-of-home-buyers-and-sellers

Demographic Shift

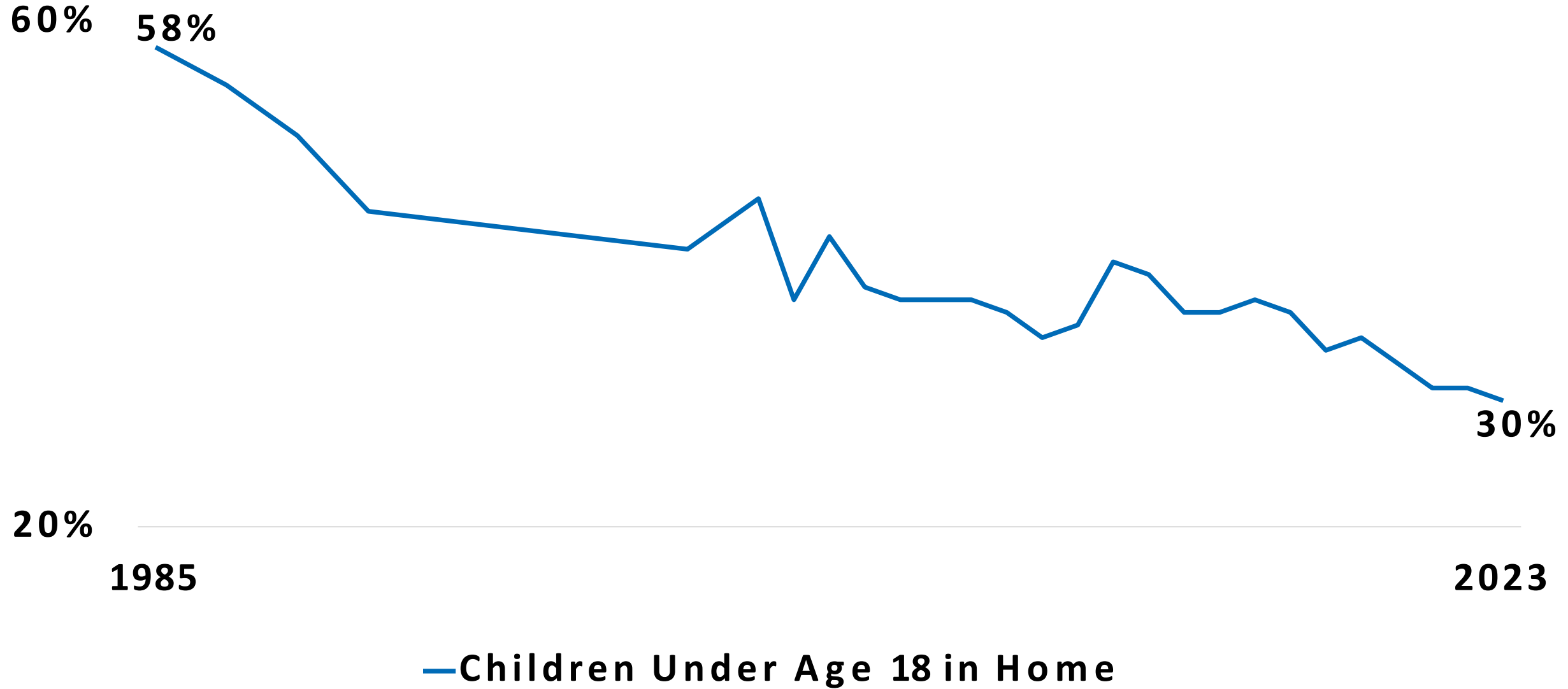
First-time Buyers: Household Composition

	1985	2023
Married Couples	75%	52%
Single Women	11	19
Single Men	9	10
Unmarried Couples	4	16
Other (roommates)	0	3

Source: Profile of Home Buyers and Sellers

www.nar.realtor/research-and-statistics/research-reports/highlights-from-the-profile-of-home-buyers-and-sellers

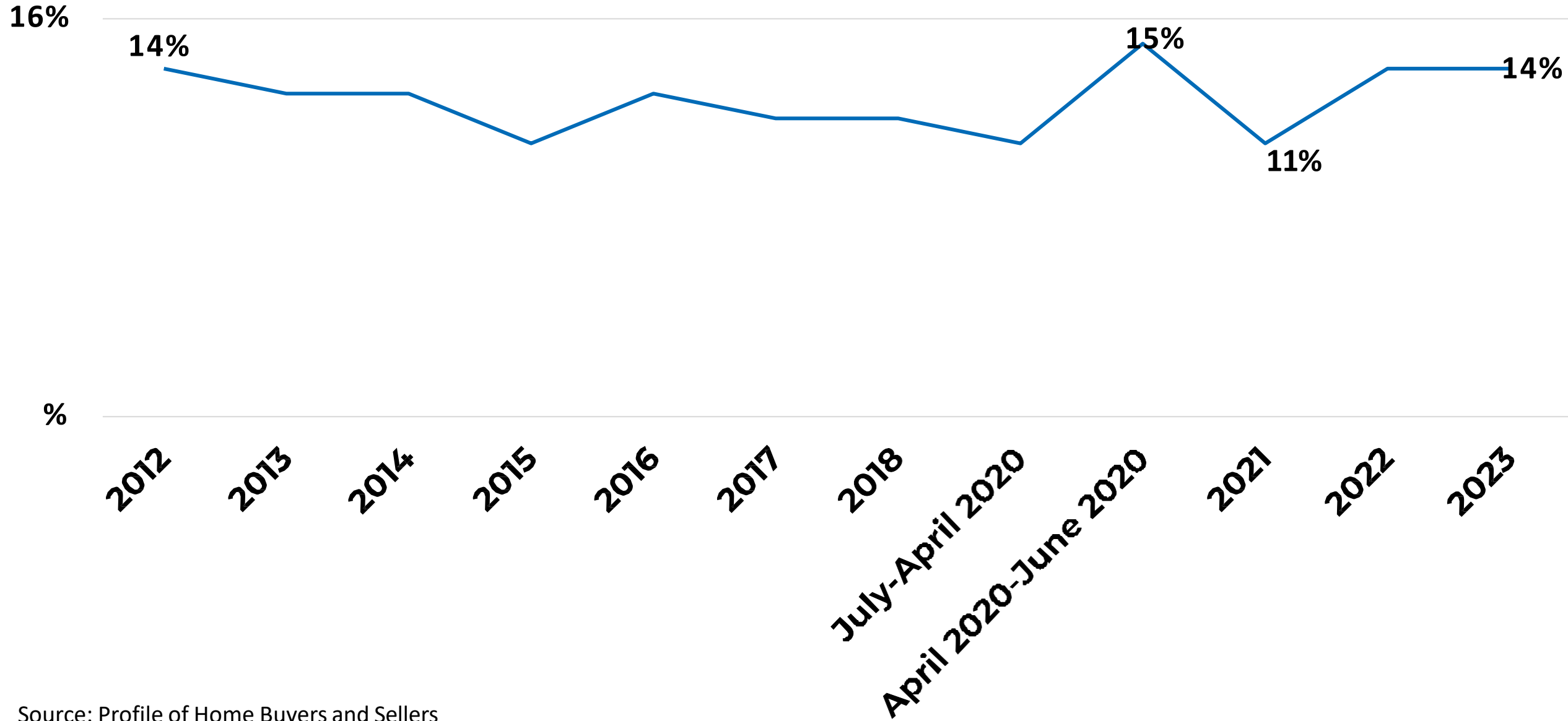
Baby Bust Among Buyers



Source: Profile of Home Buyers and Sellers

www.nar.realtor/research-and-statistics/research-reports/highlights-from-the-profile-of-home-buyers-and-sellers

Multi-Generational Home Buyers Trends Up



Source: Profile of Home Buyers and Sellers

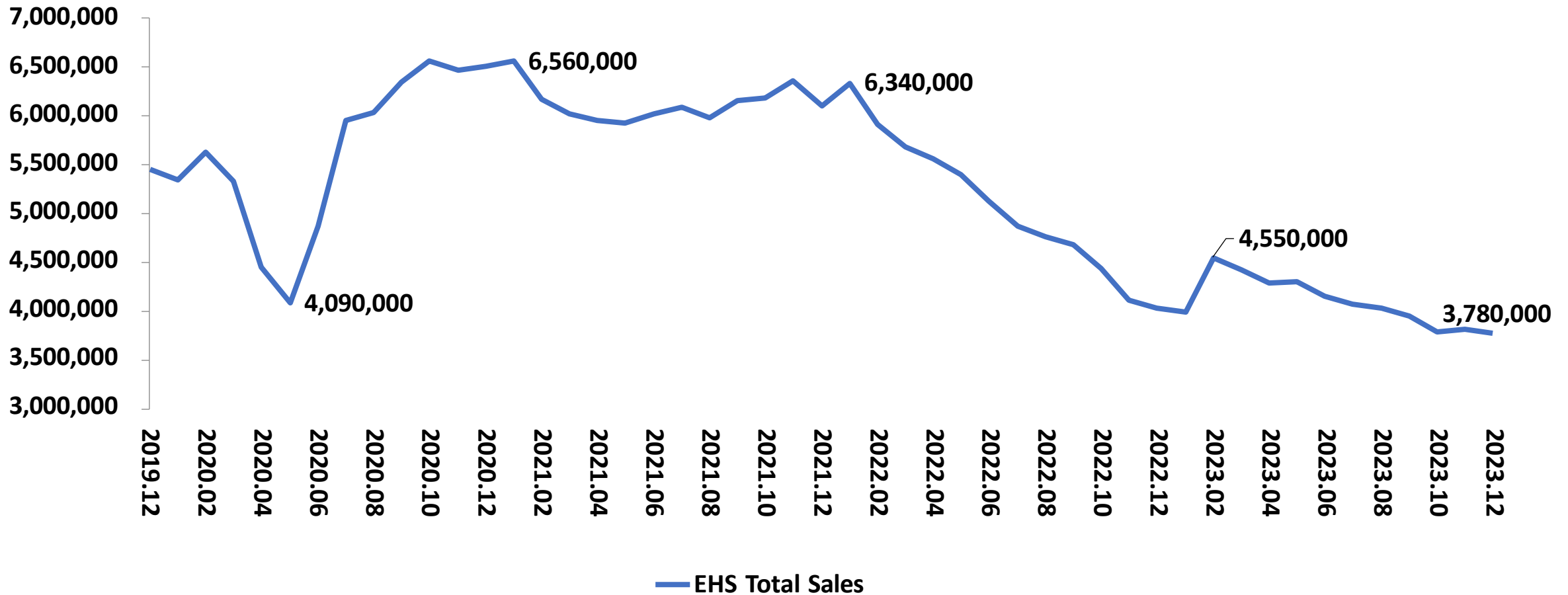
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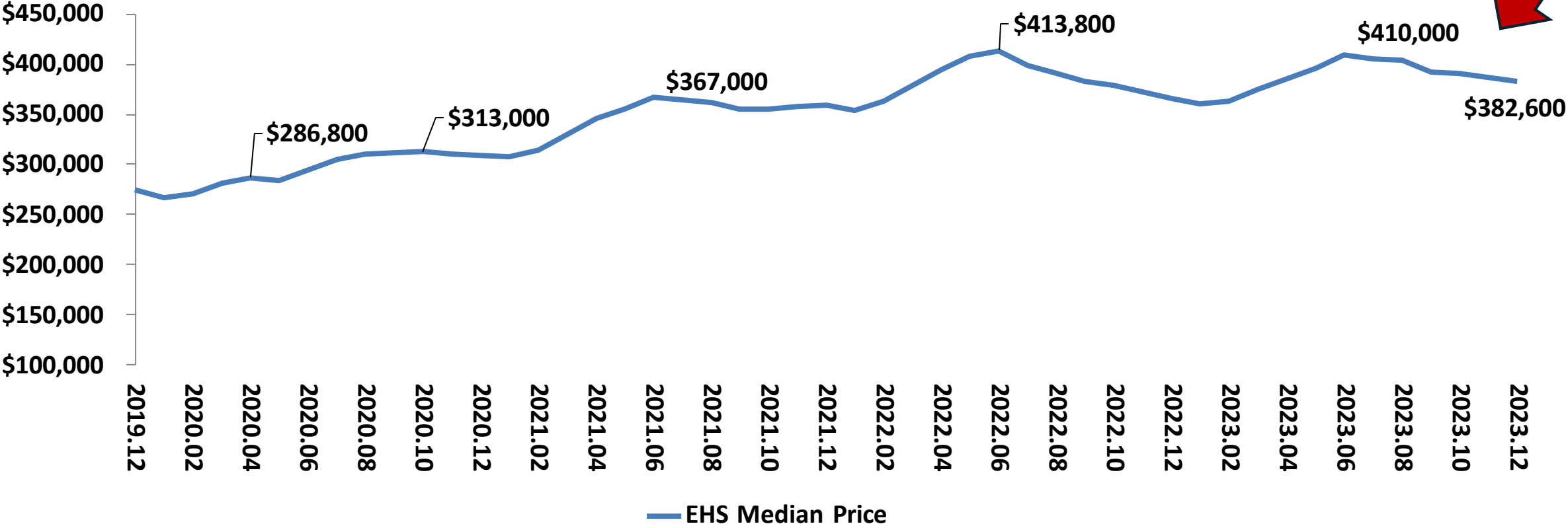
National

HOUSING
SALES STATS

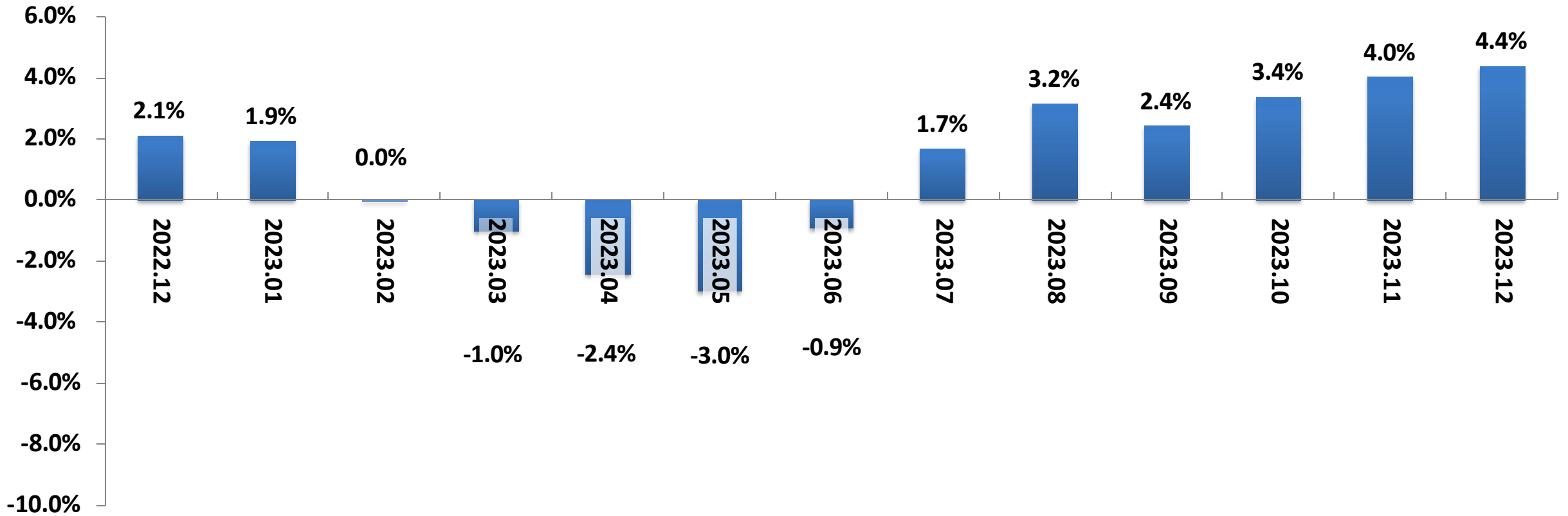
Total Existing Home Sales, SA Annual Rate



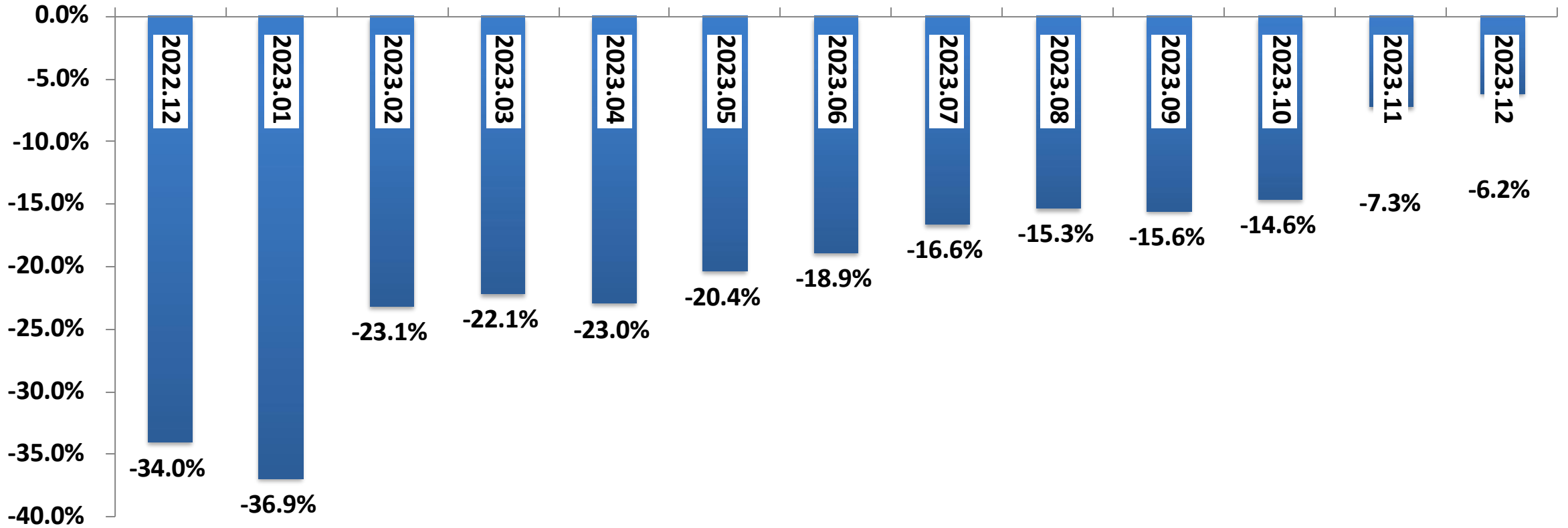
Median Price of Existing Home Sales



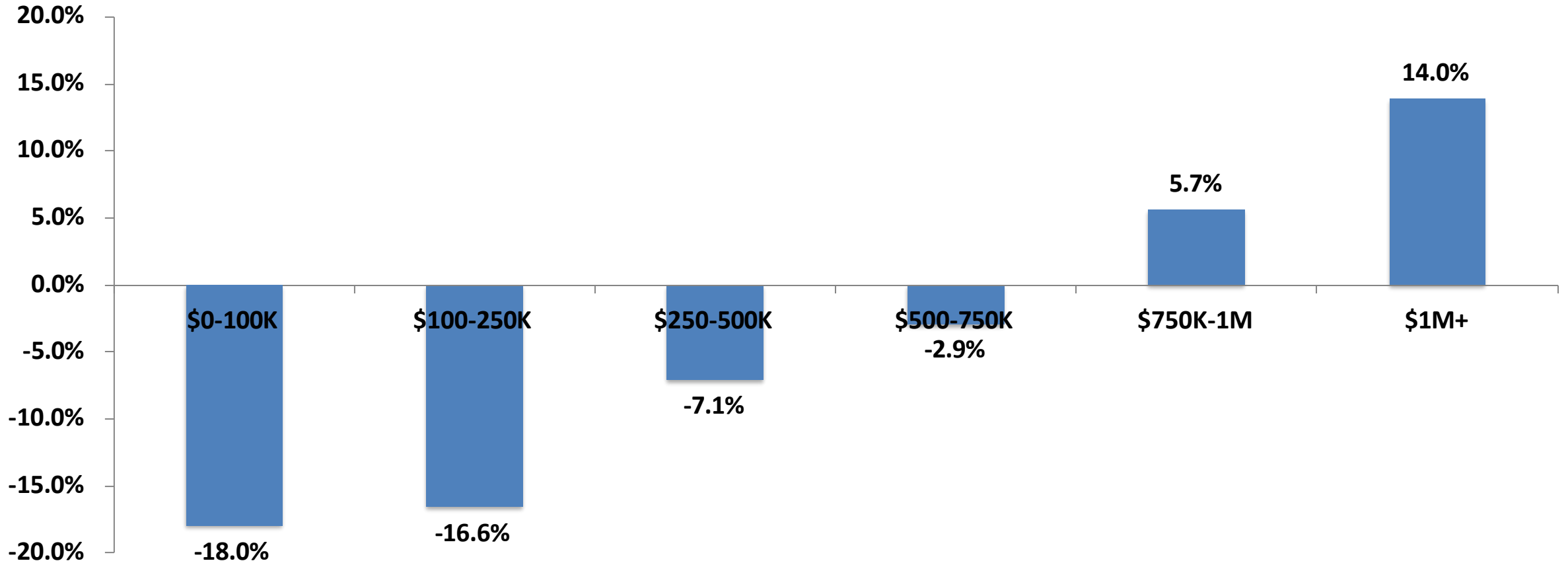
Existing Home Sales Median Price, Percent Change Year-Over-Year



Total Existing Home Sales, Percent Change Year-Over-Year



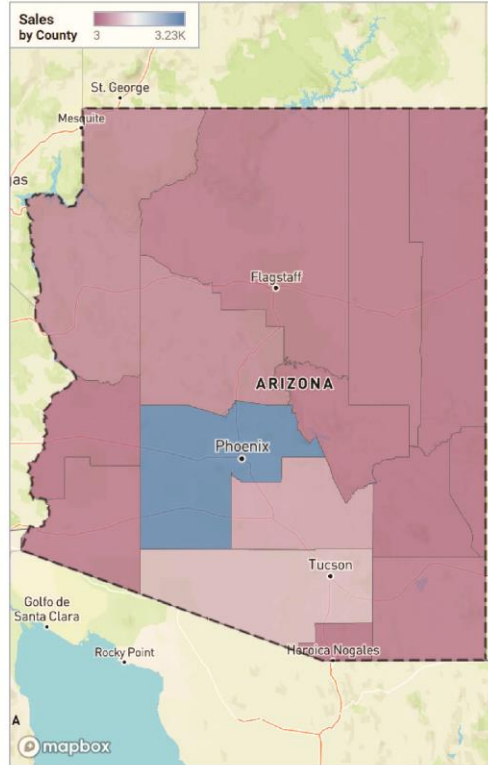
Percent Change in Sales From a Year Ago by Price Range





Arizona

**HOUSING SALES
STATS**



LISTINGS

Up from previous month

State **32,640**

01/23	01/22	01/21
34,474	25,617	26,055

YOY change **-5.4%**

MEDIAN SALES PRICE

Down from previous month

State **\$345,385**

01/23	01/22	01/21
\$316K	\$323K	\$269K

YOY change **9.2%**

SALES

Down from previous month

State **5,540**

01/23	01/22	01/21
6,003	9,725	9,899

YOY change **-7.7%**

INVENTORY

Seller's market

State **3.95 months**

6 months = Balanced market

YOY change **12.9%**

PRICE RANGE STATISTICS

Listings Trends

- More than 5% increase (YOY)
- More than 5% decrease (YOY)

Listing Price Range	Listings (Jan.)	Sales in Previous 12 Months	Months of Inventory
Below \$125,000	833	1,747	5.7
\$125,000 - \$249,999	2,471	8,308	3.6
\$250,000 - \$374,999	6,826	26,321	3.1
\$375,000 - \$499,999	8,302	28,770	3.5
\$500,000 - \$624,999	4,346	12,669	4.1
\$625,000 - \$749,999	2,879	7,768	4.4
\$750,000 - \$874,999	1,638	4,140	4.7
\$875,000 - \$999,999	1,306	2,748	5.7
\$1M - \$1.99M	2,508	4,967	6.1
\$2M and up	1,531	1,668	11



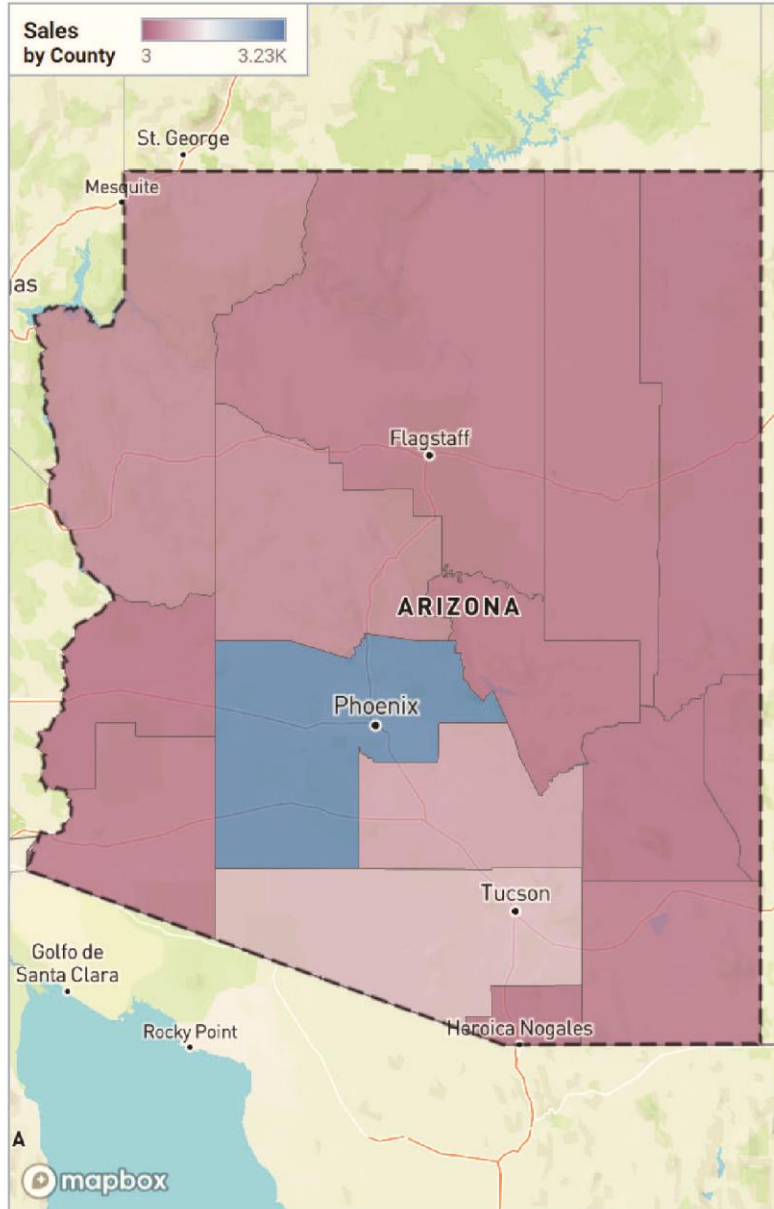
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Contact: ARIZONA REALTORS®
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Phone: (602) 248-7787
Email: support@aaronline.com

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HOUSING REPORT

Arizona - Jan. 2024



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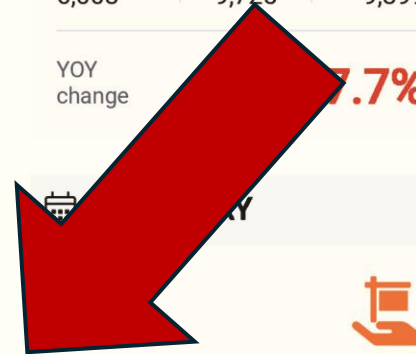
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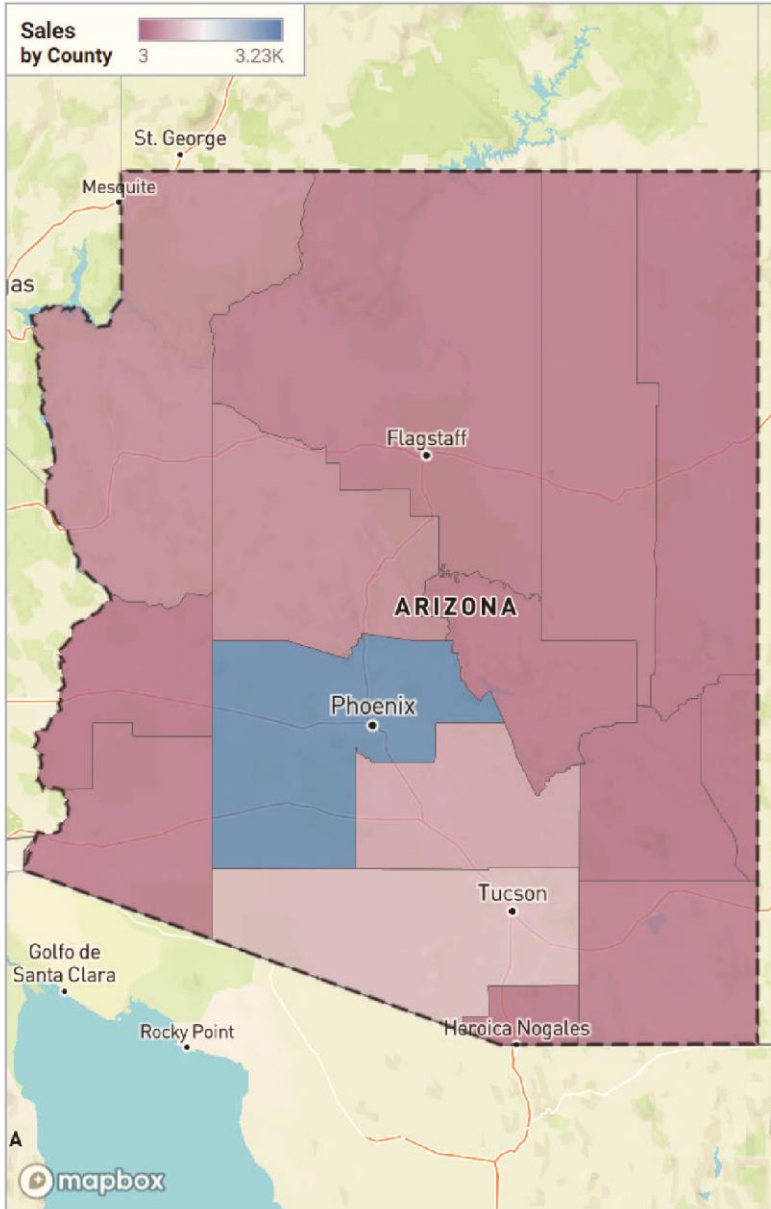
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HOUSING REPORT

Arizona - Jan. 2024



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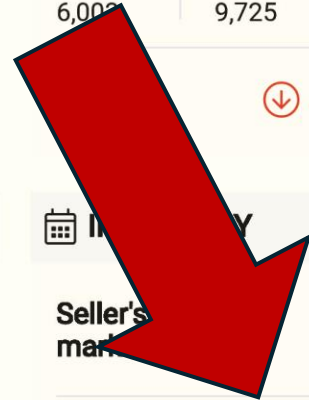
Inventory

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Flagstaff

HOUSING
SALES STATS

Market Trends for Flagstaff, Arizona

Single Family + Condo/Townhouse/Apt.

January 2024

Market Type



Key Details

Months of Inventory

2.19

↓ 14.45% Month Over Month

List to Sold Price %

97.4%

↑ 0.29% Month Over Month

Median Days in RPR

48

↑ 2.13% Month Over Month

Median Sold Price

\$674,750

↓ 0.77% Month Over Month

January 2024 Sold Listings

Flagstaff, Arizona

Single Family + Condo/Townhouse/Apt.

Median Sold Price
\$674,750
↓ 0.8% Month over Month



Courtesy of Gary Nelson, Realty Executives of Flagstaff, AZ Lic# BR107626000

Source: Realtors Property Resource® analysis based on Listings

November 2023 Sold Public Records

Flagstaff, Arizona

Single Family + Condo/Townhouse/Apt.

Median Sold Price

\$602,500

↑ 2.1% Month over Month



Courtesy of Gary Nelson, Realty Executives of Flagstaff, AZ Lic# BR107626000

Source: Realtors Property Resource® analysis based on Public Records

January 2024 Months Supply of Inventory

Flagstaff, Arizona

Single Family + Condo/Townhouse/Apt.

Months Supply of Inventory

2.19

Last Month Change

-14.5%

12 Month Change

+30.4%



Market Statistics

January 2024 ▼



NORTHERN ARIZONA
ASSOCIATION OF
REALTORS®

Residential

▼ Belmont, Flagstaff, Munds... ▼

Compare to Same Month Prior Year Prior Month

Median Sales Price

\$602,000



-6.4% ▼

65



-12.2% ▼

Closed Sales

Active Inventory

↑ 47.1%



250

Median Days on Market

82



-10.4% ▼

Median Sold \$/SqFt

-0.4% ▼



\$3334

New Listings



163

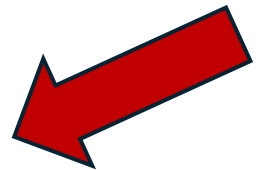
↑ 106.3%

Percent change compares results from December 2023 to January 2024

Data provided by NAZMLS. ©2024 Domus Analytics

Straight out of the MLS:

- In 2023, for “Flagstaff”, all residential types:
- 1,163 sales
- Average square feet: 1,969
- Average \$ / Sq. Ft: \$384
- Average Sales Price: \$780,273
- Median Sales Price: \$628,000
- Single Family Median Sales Price: \$735,500



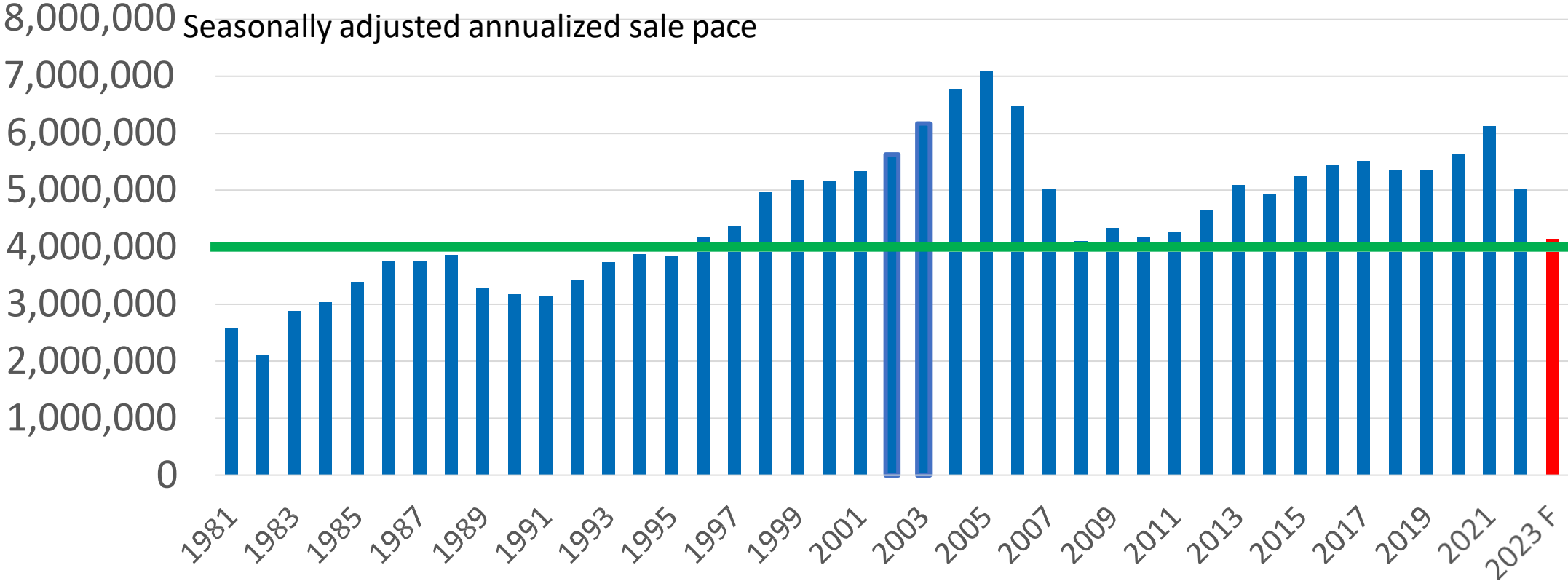
A satellite view of Earth showing North America and the Atlantic Ocean. A large, swirling storm system is visible in the Atlantic, with a prominent eye. The text "The Forecast" is overlaid in white, serif font. Below it, the text "NATIONALLY AND LOCAL" is overlaid in a smaller, white, sans-serif font.

The Forecast

NATIONALLY AND LOCAL

Annual Existing-Home Sales: An 18% Decline.

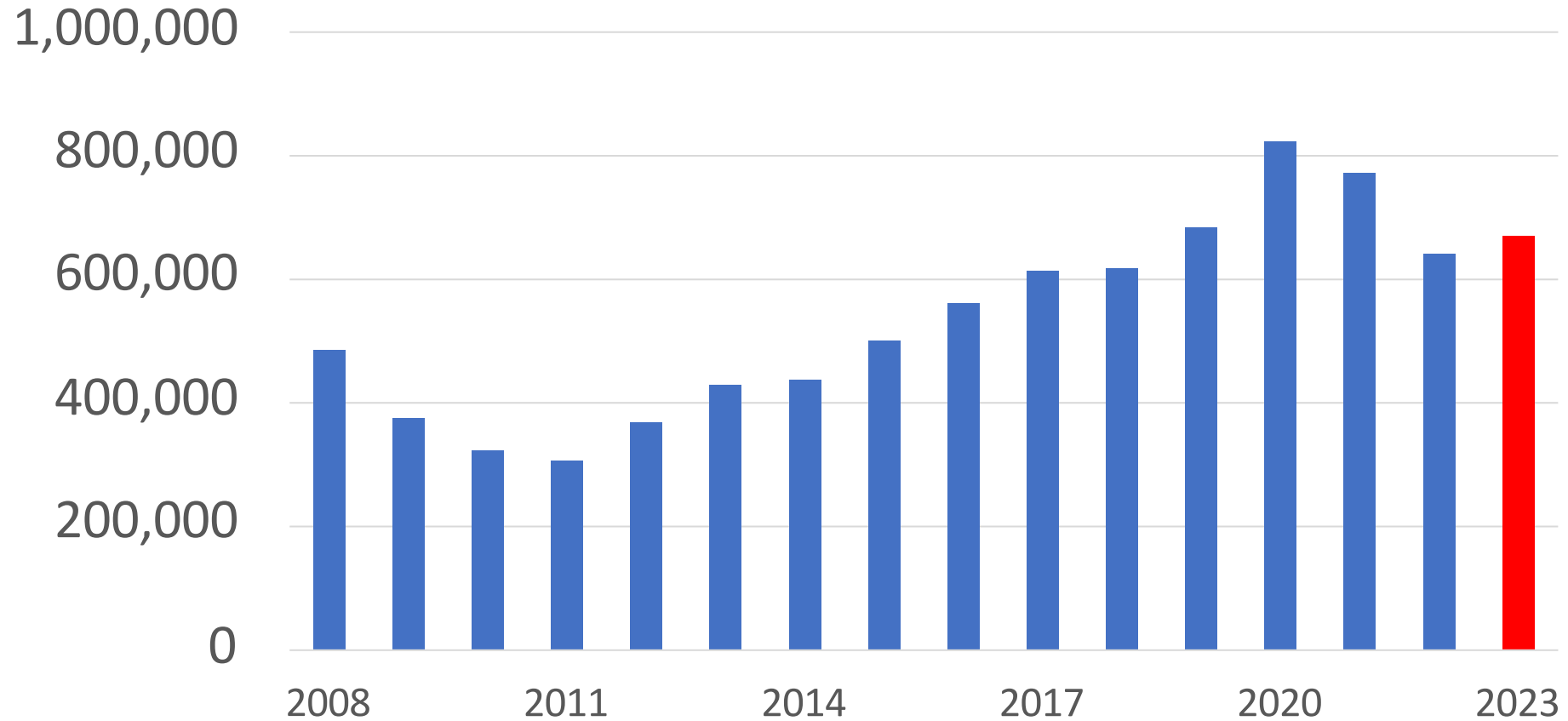
On track for the worst year since 2008 or since 1995



Source: NAR

New Home Sales Up 4.5% year-to-date to October

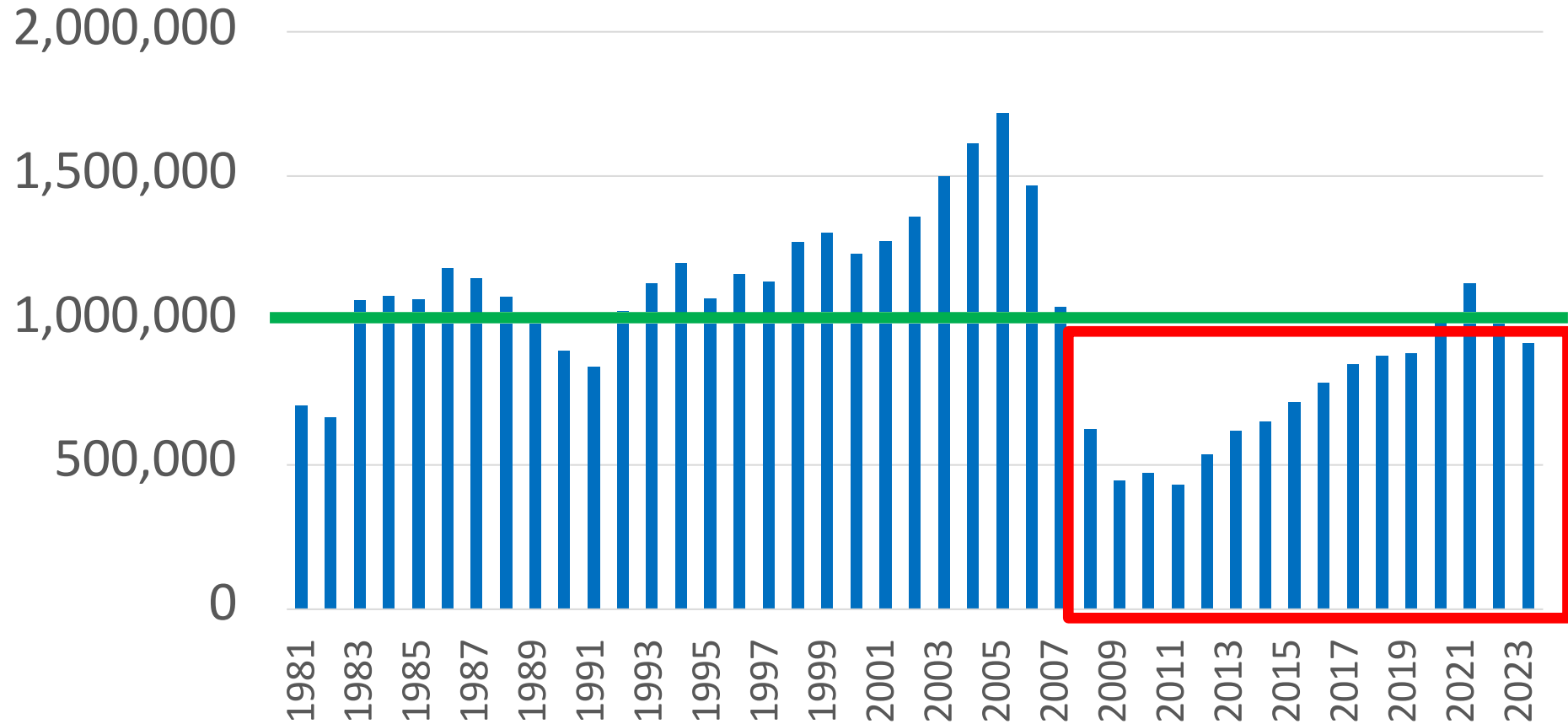
On track for the 3rd or 4th best year since 2008 foreclosure year



Source: NAR forecast and HUD

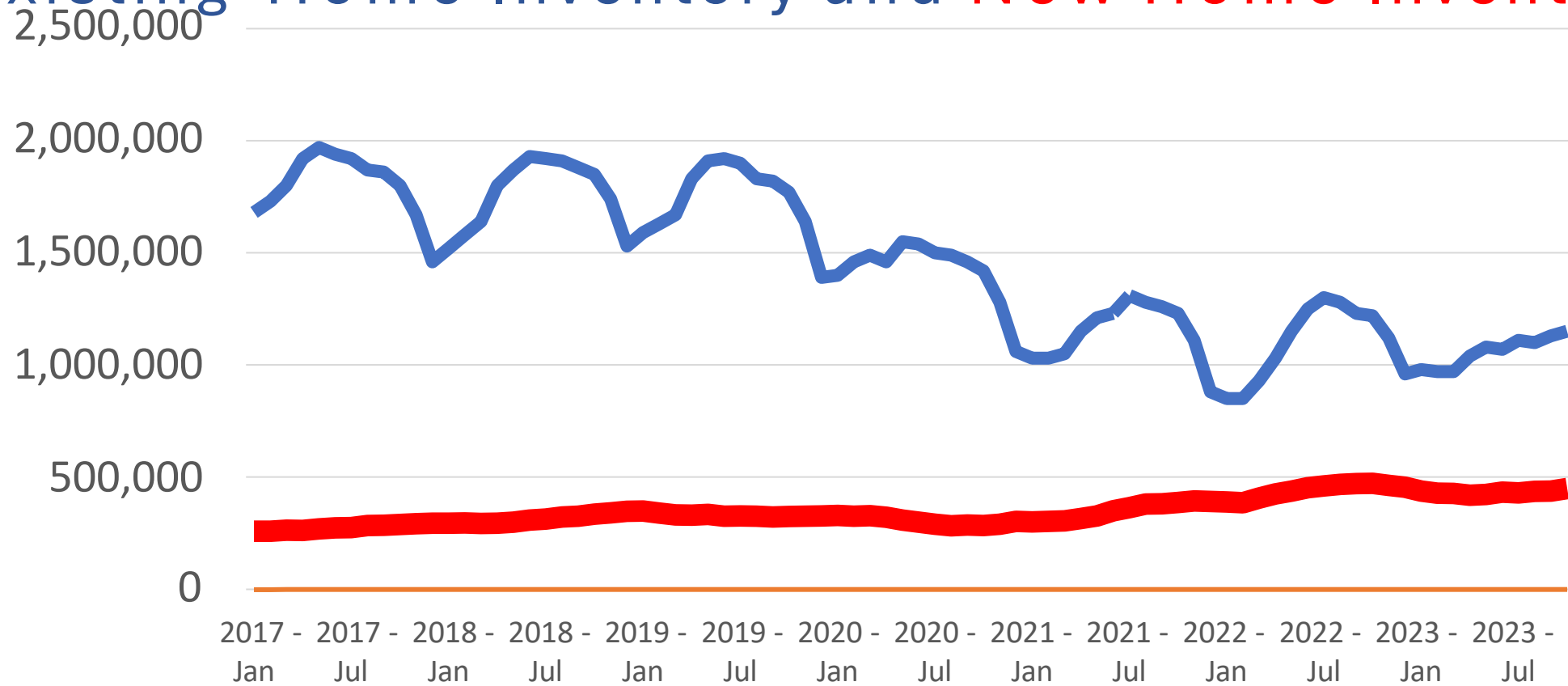
Single-family Housing Starts

Trying to return to normal after a decade of underproduction



Source: NAR forecast and HUD

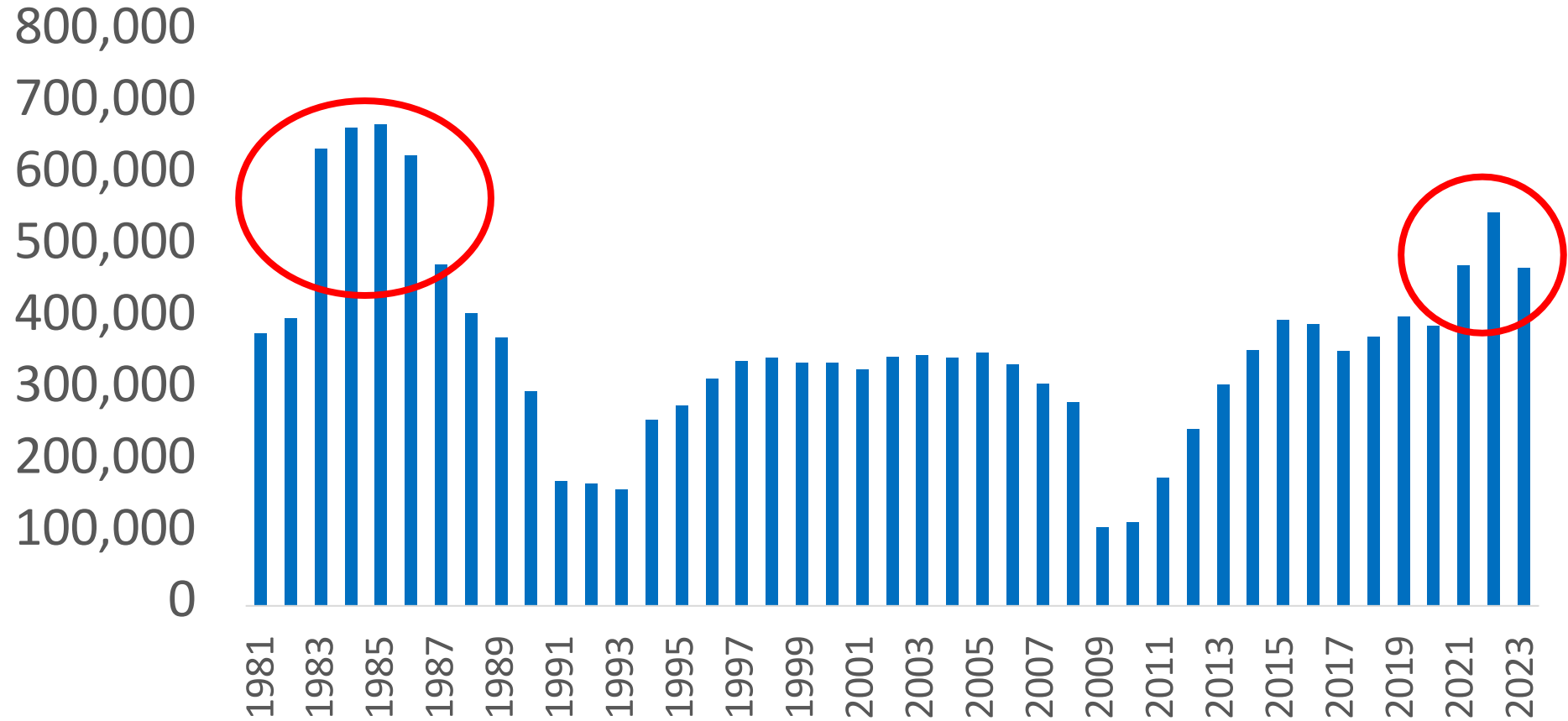
Existing-Home Inventory and New Home Inventory



Source: NAR and HUD

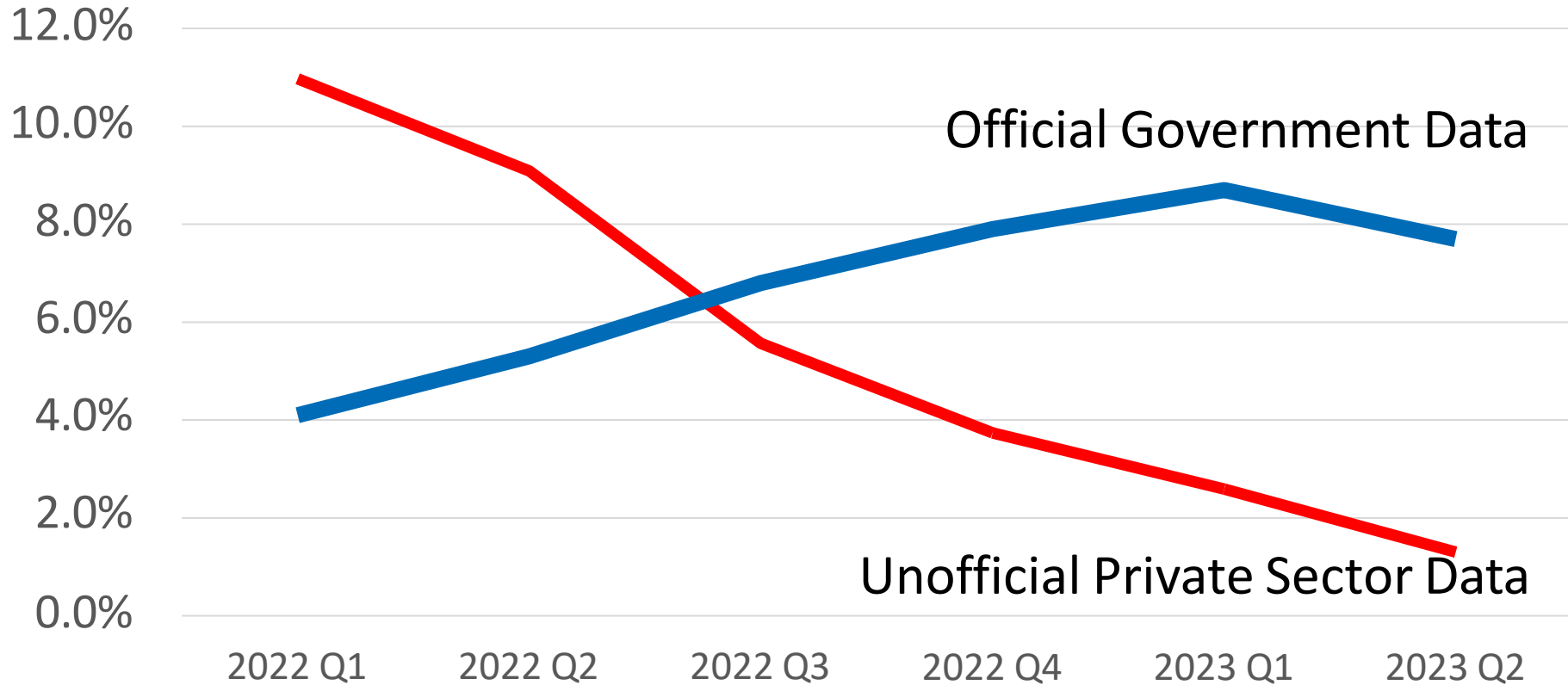
Multifamily Housing Starts

3 years of cyclical highs



Source: NAR forecast and HUD

Rent Growth Softening?



Source: BLS and CoStar

First-time Homebuyer Down Payment

Down Payment	% of Home Price
0%	16% of buyers
1% to 5%	22% of buyers
6% to 10%	16% of buyers
11% to 20%	20% of buyers
More than 20%	26% of buyers

Source: NAR

First-time Homebuyer Challenges

Hardest Part of Buying (more than one answer permitted)	% of First-time buyers
Finding the Right Property	61% of buyers
Saving for Down Payment	38% of buyers
Understanding the Process	38% of buyers
Paperwork	23% of buyers
Getting a Mortgage and Appraisal	17% of buyers

Source: NAR

Where we are going:

The real estate market is not going to crash.

Where we are going:

Interest rates will probably remain “high” through June with gradual drops afterward.

Where we are going:

Flagstaff will continue to be highly desirable
and maintain a strong economy.

Where we are going:

Flagstaff home prices are almost double
the median sales price for the State.
That will continue.

Where we are going:

Compared to other “mountain towns” of the intermountain west, Flagstaff is a bargain.

Where we are going:

There will be continued pressure from second-home Buyers and most will have cash.

Investors too.

Where we are going:

Nothing new in the way of “affordable” new construction.
Ever.

Where we are going:

Rents will continue with a downward trend.

Where we are going:

There is huge pent-up demand from Buyers waiting for interest rates to drop and inventory to increase.

Where we are going:

If (or more accurately, when) interest rates drop into the 5's, demand will surge and prices will skyrocket.

Where we are going:

This may be the cheapest real estate market you will see in your lifetime.

Where we are going:

The people in this room can make a difference in this community by literally helping people get their foot in the door.

Gary Nelson

- Realty Executives of Flagstaff
 - 15 E. Cherry Ave., Suite 202
 - Flagstaff, AZ 86001
 - 928-600-4279
 - gary@garynelsongroup.com

